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WAYS TO PEACE AND INTERNATIONAL CO-OPERATION

By Leo MATES

IT SEEMS that the German question will remain on the agenda as an unsolved problem among the great powers even after the ending of the foreign ministers' conference in Geneva. It has, in fact, been on the agenda of talks between the western powers and the Soviet Union for the last seventeen years. After Hitler's defeat at the gates of Moscow and the great turn in the tide of the war in the fighting on the ruins of Stalingrad, the war-time Allies were confronted with the question of Germany's fate after her defeat. Real agreement was not reached until the end of the war. The relations between the Allies and their joint action were made possible by temporary arrangements which could not but complicate the question itself, as well as their mutual relations in the future.

After the end of the war, this situation continued, but with the difference that the provisional war-time arrangements could no longer serve as the basis for co-operation, but, on the contrary, became the source of ever sharper disagreements and friction and a rapid deterioration in the general relations between the former allies. Instead of peace and international co-operation,

safeguarded and guaranteed by the great powers, as was promised at the war-time Allied conferences, the era of the cold war began.

The German question was not, of course, the only unsolved question from the war, but it defines and symbolizes a whole complex of questions relating to the future which were not solved by the Allies in the course of the war. After the war, new problems arose, such as disarmament in the atomic era, but of all concrete questions of a political and territorial character, that of Germany continued to play the central and dominating in the relations between the protagonists of the cold war.

The great significance of general questions such as disarmament and the banning of nuclear weapons and experiments, did not diminish the importance of the German problem, but even increased it. Thus these questions interwove in innumerable discussions from the war to the present time. This year's discussions have introduced some new variations into both these themes, and some obstacles have been removed on the way to an agreement. Certain attitudes have become

more flexible and certain exaggeratedly rigid positions abandoned. However, a basis for agreement has not been found since the fundamental standpoints of the two sides are so different and contradictory that it is impossible to reach an agreed solution.

If we were to take any other important question in the relations between the great powers, we should be faced with a similar picture. The roots of all these problems lead back, directly or indirectly, to the last years of the war, and have all, at various periods, passed through a number of stages. But regardless of whether, in various period, they were discussed calmly and in a business-like way, or were the cause of the most heated polemics and often of mutually-insulting accusations, they have always remained questions which reflected the contradictions, distrust and conflict between the two poles of the anti-Hitler coalition, that is, the two blocs which were formed after the war.

Regardless of the form of the conference table or the name the forum took, whether they were three- or four-power conferences, all the meetings of the great powers, even from the time of the war, bore the stamp of two-sided discussions. Furthermore, the powers taking part strove, and are still striving, even today, to preserve the character of their meetings, resisting the inclusion of representatives of countries not committed to either bloc, whose participations, apart from making a constructive contribution to the questions discussed, would give the gathering the character of a round-table conference, instead of that of two-sided talks, on general international questions of interest to all countries.

Post-war experience has therefore shown that the great powers of the Allied coalition did not succeed in establishing peace and organizing international co-operation after the victory, and still less in guaranteeing stability under such conditions for future generations. The conflict between the great powers introduced disquiet into international relations, which developed into the cold war. At the time, the character of the cold war, as a conflict between two blocs, has imposed the need for the removal of such a situation to be achieved primarily by the liquidation of the conflicts between the blocs. In other words, the cold war which developed between the leading powers of the blocs has to be liquidated by the actions of these same powers. The great powers appeared after war not as the guarantors of peace but as possible protagonists of a new world war, while at the same time having to decide the most important questions of international life and eliminate the possibilities of war.

Right up until the time when pressure of the realization of the incredible horrors and destruction of a nuclear war and the irresistible pressure of almost the whole of mankind, which came out strongly in defence of its existence and in opposition to the dangerous game of brinkmanship, led to some lessening in world tension, the international meetings and conference bore very little resemblance to forums solving problems and conflicts by agreement and peaceful means. It is therefore understandable and justified that the tone and character of discussions in recent years, as well as the abandoning of certain rigid positions adopted during the most severe period of the cold war, should be regarded favourably. It is also realistic to expect certain steps, although modest

and diffident, towards the solution of at least some questions. However, the limitation of every effort to settle the international situation within the bloc framework and talks between the blocs, should not be forgotten.

The moving force which has caused these positive features did not result from changes in relations between the blocs, that is, from changes in the attitudes of the blocs towards the questions under dispute, but from the pressure exerted by people in all continents and their revolt against the cold war and the policy of playing with fire. Despite the fact that the meetings of the great powers still retain the character of a private club in which they discuss international questions primarily from the viewpoint of their own interests, and that these talks are in fact between the representatives of the two blocs, they are affected by the powerful influence and pressure arising from dissatisfaction with the failures of these conferences so far and the positive desire for peace and opposition to the continuation of bloc conflicts, an influence and pressure which have surpassed the bounds of the non-committed countries and are becoming ever stronger in the countries belonging to blocs.

It might almost be said that the positive results of the conferences of the great powers depend more on the activities of the absent hundreds of millions than on the statesmen present. It is true that the rôle of the great powers in the present-day world is incomparably more important than ever before in history, but this, however, applies only to material power (military potential, production, finance, etc.) and not to the political influence and prestige of these states in the world. Here, in fact, a weakening of the great powers has occurred. It is enough just to mention the fact that the very era of the greatest increase in military and economic potential of the great powers has seen the realization of the independence of the previously conquered and enslaved peoples on a scale unparalleled in history. The number of independent countries and the degree of their independence from the great powers has, in the course of the last fifteen years, created an international group which cannot be compared with anything similar at the time of League of Nations or in the nineteenth century.

If, however, we speak of the limitations of inter-bloc talks as a method of solving international questions on which peace and international co-operation depend this should be regarded as a component part of the mentioned general historical movement of our era. The basic questions on the agenda cannot be solved when approached from bloc positions. The ministerial and summit conferences held so far have clearly demonstrated this, if we regard them in their historical perspective. Solutions are obviously only possible by transcending bloc positions, that is, from positions that are truly international. The blocs, by their nature, cannot liquidate themselves without a catastrophic mutual conflict in a nuclear war, which would obviously be more of a physical than a political liquidation.

Bloc discussions (which in fact mean four-power or similar conferences) can lead to limited positive solutions only at the expense of their character. The complete solution of the basic questions of the cold war presupposes complete abandonment of bloc positions, that is, acceptance of the principle of constructive, peaceful co-existence.

which cannot be reconciled with the existence of blocs. The outward influence which noncommitted and peace-loving forces in the world are today exerting on talks is not sufficient to achieve such great results.

The overcoming of the limitations of the conferences held so far could be achieved, above all, by the expansion of talks, that is to say, by inclusion in them, on an equal footing, of representatives of non-committed countries. However, even such expanded forums could play their full rôle only under conditions of complete equality between the participants, which, at the moment, would still not be feasible. No expanded conference would be in a position to cut the Gordian knot. This however, does not diminish the usefulness, or rather the necessity, of such a conference at the highest level. Its contributions, apart from its direct practical results, would be of great significance. The limitation of the possibilities even of such a conference reflects the real situation in the world, a situation from which there is no way out by one single move, but only by means of a persistent and difficult struggle to overcome the bloc division of the world. The expansion of conferences would facilitate progress in this direction.

The real historical factor which given this movement its direction and force would appear in the conference room through the representatives of the millions of mankind which are outside the blocs. The strength of this factor is reflected in the broad and powerful movement which led to the liberation of hundreds of millions of people in Asia and Africa who, after throwing off the yoke of colonialism, created their national states, and who today, from these achieved positions, are successfully assisting the liberation of the remaining colonial peoples, on the one hand, and influencing the development of the international situation in the direction of the liquidation of the cold war and the bloc division of the world, on the other.

The internal strengthening of these countries,

through solving their own problems and fighting to overcome economic backwardness, and their persistent activity in international affairs, have given tangible results, so that we can confidently expect the ever-greater affirmation of these factors of peace and co-existence, as well as their ever-more decisive influence on the solution of the questions of the cold war.

The ways to peace and international co-operation have never been smooth and easy, and today they might even appear, at first sight, to be impassable. However, this impression is gained only from a superficial analysis of the present framework of the relations of powers and groups created at the end of the last war. What is in fact essentially new on the international stage is the appearance of the so-called "young" nations, emerging as a new historical factor, created outside the framework of the cold war and deeply interested in its liquidation. This new factor is, however, still growing and developing. Its international significance does not, at present, lie so much in its influence and strength (though these should not be underestimated) as in the prospects of its development.

This naturally does not mean that any development in the direction of a conflict between the blocs and the non-committed countries should be expected. Acting from a position of strength and the creating of conflicts cannot bring the cold war to an end. Any such activity would, in fact, mean entering into the arena of the cold war, and its prolongation and expansion, barring the only exit through which the activity of the non-committed countries can lead mankind out of the blind alley of the cold war. The method of activity of these forces is attaining its contours and can be perceived by analysing the foreign policy of the non-committed countries. In this respect, our country has made no small contribution in experience, owing to her position and specific possibilities.

VICE-PRESIDENT KARDELJ IN NORWAY AND SWEDEN

AFTER visiting Denmark, Edvard Kardelj, Vice-President of the Federal Executive Council, arrived in Norway on May 31 on an official visit. On his arrival in Oslo, Vice-President Kardelj was greeted by Premier Gerhardsen, who said: "We are convinced of the value of personal contacts between statesmen and of the exchange of ideas and views, when, as is the case in relations between Norway and Yugoslavia, there exists a mutual and sincere desire to understand and respect the views of the other side. We therefore have good grounds for the belief that your visit will contribute to the broadening and strengthening of the already existing fruitful ties between our two countries. Thus we may also make a contribution to the lessening of tension and to peace in the world." Expressing his gratitude for the welcome, Vice-President Kardelj said: "It gives us special pleasure to be meeting Norwegian statesmen again and exchanging opinions with them, on questions of bilateral interest and to get to know the Norwegian people better, towards whom the Yugoslav people cherishes sincere feelings, respect and friendship. Co-

operation between the two countries on the basis of mutual respect and understanding has given good results up to now. We will be especially pleased if our visit now will also contribute to the strengthening and developing of the existing fruitful co-operation between our two countries."

On June 1, official talks began between the Yugoslav and Norwegian delegations led by Vice-President Kardelj and Premier Gerhardsen. In the evening Vice-President Kardelj made an introductory speech in the discussion on problems of the socialist construction of Yugoslavia, in which he pointed out: "In our social political system we are striving for independent factors to find expression, which will make possible the solution of more and more problems within the framework of social self-management... the worker has his rights but also full responsibility for the economic success of his enterprise... We have taken the course of bold decentralization of funds so that the creative initiative of the broad masses could be fully brought out... We believe it to be essential that, wherever possible, the general social interest

should be linked with the material interestedness of the worker."

On June 2 Vice-President Kardelj held a press conference at which he stated among other things: "We have exchanged opinions on many questions with Norwegian leaders before. We consider that such exchanges of opinions only confirm the usefulness of such contacts, regardless of differences which may appear in one direction or another. I am delighted that we are in agreement of the need to strengthen even further our economic, cultural and every other kind of co-operation."

At the official dinner given by Premier Gerhardsen in honour of Vice-President Kardelj, there was an exchange of toasts. On this occasion Premier Gerhardsen said: "The problem of finding such forms of management of enterprises which simultaneously fulfill the demands of high productivity and ensure the workers' and employees' democratic right to participate in the taking of decisions, is important for all industrialized countries. That is why we must follow with great attention the whole experiment in this field which has been started in Yugoslavia. Local government bodies are another field where we see interesting new events. These fully express the tendency to reduce the influence of the state and as far as possible to transfer management and leadership in the economy to local bodies, elected by the people... I can assure you that progress in this field is followed with great interest outside the borders of Yugoslavia." In his reply to the toast, Vice-President Kardelj said among other things: "The Yugoslav government considers that, at the present level of development of productive forces and the international division of labour, active coexistence between states of differing social systems is no longer merely a pacifist utopia but has already become possible and necessary. The present-day social community in the world, though made up of states with differing socio-economic systems and many differences in internal and foreign policy, is to a considerable extent linked by a number of common material and cultural interests, so that the preservation of peace and ever wider development of international co-operation has already become the common interest of the whole world."

After a four day stay in Oslo, Vice-President Kardelj and his party left for the interior of the country to get a closer view of its economic life, cultural monuments and natural beauties. On June 5, an official announcement was published on the visit of Vice-President Kardelj to Norway.

On June 7, Vice-President Kardelj arrived in Sweden on an unofficial visit. He was met at the airport in Estersund by Premier Erlander of Sweden. In a speech welcoming Vice-President Kardelj Premier Erlander said: "Yugoslavia and Sweden differ from each other in many respects. We hope, however, that the impressions you will gain during your visit will have a certain value in the important work on construction which is taking place in your country... I sincerely hope that during this visit we shall have fruitful discussions on questions of mutual interest, which will still further strengthen the good relations between our countries." Vice-President Kardelj replied: "Both Sweden and Yugoslavia are striving for the development of international co-operation in all fields and of conscious responsibility for the preservation and strengthening peace, which falls on all countries and governments in the world in present-day conditions. An exchange of views on current international problems and other questions of interest to both countries will, therefore, be very useful."

On the way to Stockholm, Vice-President Kardelj visited several Swedish towns and toured a number of industrial sites. After his arrival in Stockholm, Vice-President Kardelj held a press conference on June 12, at which he said among other things that he was especially pleased that his talks with Premier Erlander and other representatives of the

Swedish government had been characterized by a mutual desire for peace and wish for peaceful co-operation among peoples, as well as by the readiness of both government to contribute to that goal as far as they were able. He also stated that, during his journey through Sweden, his attention was mostly centred on the social and communal life, the problems of housing and similar questions which are of interest to Yugoslavia.

During the dinner given by the Swedish government in honour of Vice-President Kardelj, toasts were exchanged. In his toast Premier Erlander said: "It is our opinion that in spite of our differences, the links between us can be of obvious usefulness in mutual exchanges of impressions, in expanding economic exchanges and increasing economic contacts between our two countries. Here in Sweden we have learnt to appreciate very highly your judgment and views on matters of foreign policy. The exchange of opinions and experience which we have had on all questions has always been of great benefit to us." Vice-President Kardelj replied: "Yugoslavia has always given support to all constructive efforts towards the lessening of international tension, the rapprochement of viewpoints and the solution of problems by mutual agreement. I am happy to affirm that co-operation between our two countries in this field has often been very active and useful. There is no doubt that this activity of our two countries, in respect of their specific international position, will, as far as our possibilities allow, be able to make a useful contribution to the solution of general problems which concern the preservation of peace in the world and general security."

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Events in Austria causing anxiety

By D. DOBRIC

RECENT developments in the political life of Austria perforce give rise to certain queries and lead to certain conclusions which are causing anxiety, notably among her neighbours.

It is a familiar fact that Austria was among the first states to have had her freedom and independence secured by the decisions of the anti-Hitler coalition in the last war. With the object of encouraging the Austrian people and upholding a democratic development of the future Austrian state, the members of the anti-Hitler coalition had accorded to Austria, in considerable measure, the treatment accorded to the victims of fascism, and they were extremely benevolent in their attitude when it came to Austria's responsibility for participation in the war within the German Reich.

The status of the new Austrian state was defined by the Austrian State Treaty of May 15, 1955, under the terms of which Austria again became an independent state, and by the Constitutional Law of the Republic of Austria of October 26, 1955, proclaiming „the permanent neutrality of Austria”, on the strength of which Austria also formally acquired all the attributes for equal participation in international relations. In December, 1955, Austria was admitted to the United Nations Organization.

However, in signing the State Treaty, and in proclaiming her neutrality, Austria also assumed quite distinct obligations, such as that „she shall continue the efforts to remove all traces of Nazism from Austrian political, economic and cultural life... in order to prevent any Nazi and militarist activity and propaganda in Austria” (Article 8 of the State Treaty, and furthermore that she should keep effective and continue implementing the principles comprised in the laws and other prescripts... the aim of which is to liquidate the remnants of the Nazi regime and establish a democratic system” (Article 10 of the State Treaty).

It was natural for Yugoslavia, as a neighbouring country particularly, to show an interest in developments involving Austria, in the efforts to reinstate Austria as an independent country, and in the search for means of shaping her policies and making it possible for her to occupy an apposite place in international relations. By numerous facts, including even sacrifices and self-denials, Yugoslavia demonstrated her wish to see an independent and free Austria.

Such a Yugoslav attitude has conformed to the spirit and intentions of the State Treaty, the fundamental aim, of which, according to its preamble, was „to establish Austria as a free, independent and democratic state, thereby contributing to the establishment of peace in Europe”, and which expressly stressed the concern of the signatories of the State Treaty for Austria's future development and role.

Nevertheless, certain tendencies are appearing in Austrias present development which are causing anxiety and rendering questionable the obligations assumed by Austria (which derive from the State Treaty and the legalized neutral status).

This anxiety springs from the fact that this trend has its roots and support in old and dangerous political conceptions.

It is well-known, that the past year has seen a revival of the activity of various nationalist and pro-fascist orga-

nizations in Austria. The leaders of these organizations are making no secret of their Nazi propaganda. It is an astonishing fact that official Austria policy, and particularly individual Austrian statesmen, by their attitude and actions, are not only tolerating, but even giving direct encouragement to the revival of such negative political tendencies.

These moods were particularly apparent during the recent pre-election campaign in Austria in which right wing groups revived chauvinist and irredentist passions. It is a matter of concern that the most responsible Austrian statesmen made statements in their electioneering speeches which were not only incompatible with Austria's neutral status, but hostile towards neighbouring countries. Thus, in a speech at Klagenfurt last April, Chancellor J. Rab said that certain parts of Yugoslavia „would joyfully return to the aegis of Austria if a free ballot-paper were offered them.” At the same time, Foreign Minister L. Figl was adopting a similar attitude at a meeting in Styria. During a rally in Vienna in May this year, Finance Minister R. Kamitz made a malicious attack against the Yugoslav economic and political system.

Such actions as these by the most responsible Austrian statesmen are undoubtedly bringing far-reaching questions relating to the Austrian State Treaty into play and casting a new light on Austria's policy.

It is along the line of such features of Austrian policy that one should observe and seek the causes of the undemocratic and denationalizing acts towards the Yugoslav national minority in Carinthia. With acts and legislation incompatible with the obligations in Article 7 of the State Treaty, the Austrian Government is making a systematic effort to limit and narrow the rights of the Yugoslav national minority in that country.

It is in the described features and tendencies in Austrian policy that one should seek an explanation of the surprising circumstance that, even while negating Yugoslavia's right to interest herself on behalf of her minority in Austria, which right, *inter alia*, had been sanctioned by an interstate treaty, Austria is insisting with extreme vehemence upon her presence in dealing with all problems affecting the destiny of the Austrian minority in Italy. While shunning her obligations and tolerating undemocratic treatment of a loyal minority, Austria is, at the same time, broaching the question, of her minority in Italy as a „European problem endangering peace” and demanding intervention and sanctions from the highest international forums. It should be emphasized that the purpose of this parallel is not to question the right of a Government to concern itself with the life and rights of its minority in third countries, but to appraise the consistency of a Government in relation to the realization of its rights, and the fulfilment of its obligations.

From among a series of such events in the political life of Austria, one should note the current increasing incidence of rallies of the members of various monarchist and pro-Nazi organizations and military associations. A rally of the so-called „Sudeten Germans” recently went on for several days in Vienna. It is difficult to list all the provocations at this rally. A *revanche*-rally of ex-Volksdeutschers, mainly from Czechoslovakia, this gathering in fact took place under

the patronage of the Austrian Government. Representatives of the Austrian Government made speeches in which they voiced their solidarity with the political moods of the participants; more than that, the Austrian Government even permitted, that, parallel with its representatives, certain so-called „governments-in-exile“ (of the „Independent State of Croatia“, „Slovakia“, „Ukraine“, and so forth should also be represented and greeted.

At various junctures, Yugoslavia has been forced to make *démarches* drawing the attention of the Austrian Government to the harmful nature of those actions, which are not only having an unfavourable effect on the relations between the two neighbouring countries, but involve the broader issue of the political situation in this part of Europe.

However, not only did Austria make no move to restrain these activities, with official approval, a series of similar right-wing meetings were scheduled in Austria. Thus a four-day rally of the so-called „Danubian Germans“ from Rumania, Hungary and Austria is being prepared for July this year. Further, in Styria, under official aegis, an action is carried on „for Austrianization of the frontier regions of Styria,“ with the object of „removing from the agenda the minority question in the frontier regions of Styria“, and in fact possessing undisguised anti-Yugoslav aims. A celebration of the 40th anniversary of the plebiscite in Carinthia, is also being prepared, which event, according to the organizer's hints, will be the source of fresh attacks against Yugoslavia. At the same time the Austrian press has embarked on writings about alleged crimes by anti-fascist fighters in Carinthia against members of Hitler's Wehrmacht. These writings tribute is paid to the German fascist army and attempt to justify the factual crimes of the Axis invaders in occupied Yugoslavia.

It is warranted to recall here that while peace-loving forces in the world are making efforts to find the means for a gradual settlement of certain major questions which are hampering international relations, and while these problems

are being deliberated on at this moment, voices can be heard from neutral Austria which cannot but run counter to the interests of peace.

Yugoslavia, as a neighbouring country, is specially concerned over such a trend of events. This concern is increased by the historical lesson that in the past such a course has marked the beginning of aggressive campaigns against our country.

In the light of the undemocratic features in the political life of Austria, one can openly wonder today about the way Austria is fulfilling her obligations from the *Statis* Treaty when the members of her Government are fanning the spirit of *revanche*, when the press there is vindicating the acts of the Nazis, glorifying Nazi soldiers and representing them as innocent victims; and when it is wilfully the anti-Hitler combatants who fought the aggressors.

Neutrality — and neutrality is the hallmark of the official status of Austria of today — has never consisted, and especially does not consist today, in a mere formal abstention from military alliances. Neutrality also calls for a particular general attitude indicating the desire of a neutral state not to provoke tension and international disputes. The unpeaceable tendencies appearing in Austrian policy today are quite incompatible with such an attitude, and consequently also with the obligation of neutrality.

Relations in the world today tend toward an increasing linking together of states and nations, so that the acts of every individual government inevitably affect the political and interstate relations with other countries, with positive or negative repercussions for peace and international co-operation. In this particular case, the present tendencies in Austrian policy are not acting in the direction of the mentioned peaceful aspirations and aims, and it is in the general interest, including that of Austria herself, to halt the described trend.

Yugoslavia - an Associate Member of GATT

By R. MILIĆ

IT IS NEARLY ten years since Yugoslavia established the first contact with GATT, the General Agreement on Trade and Tariffs, by sending her observer to the 5th Regular Meeting of this organization, held in Torquay, England, in November-December, 1950. This was the first contact, and the first manifestation of the interest Yugoslavia attached to GATT's work in dealing with current and future problems in the field of trade on a broader, multilateral basis. In this, as it were, jubilee year of 1959 there has been a decisive stride forward in the relations between Yugoslavia and GATT — the adoption of the *Declaration on the Relations Between the Members of GATT and the Federal People's Republic of Yugoslavia*. According to this Declaration, which was signed following on successfully concluded negotiations satisfactory to both sides, Yugoslavia's ten-year observer's status in GATT was converted into a kind of associate membership subject to mutually limited rights and obligations. A new transitional period of relations is opened up, its duration not restricted in advance, which, by way of a limited co-operation on the basis of the Declaration, will make it possible for the conditions to be created for Yugoslavia's subsequent full membership in GATT, constituting the third period of mutual relations.

However, only a more or less symbolical significance attaches to the past ten-year period, for the fact is that the actual negotiations between Yugoslavia and GATT for purposes of preparing this Declaration lasted for a much shorter time, which is specially noteworthy when one remembers the complicated nature of the problems which had to be solved. Only six and a half months elapsed from the moment when a formal request for associate membership was made at the 13th Meeting of GATT until the adoption of the Draft Declaration at the 14th Meeting of GATT on October 30, 1958. This represents a fairly brief span considering the time it took in the part to solve the problems of some other countries' accession to GATT. This can definitely be ascribed to a set of auspicious circumstances of a more general character, and also to the good will of the Federal People's Republic of Yugoslavia and its affirmation as a loyal foreign-trade partner, prepared not only for mutually-beneficial bilateral co-operation with various international organizations with an economic-trade character.

Viewed from this angle, the Declaration on the relations between GATT and Yugoslavia constitutes the incarnation of a principle which Yugoslavia has always championed and always fought for — the principle of the need and fea-

sibility of wider-scale, economic-trading co-operation between countries with different economic systems. Discounting a few exceptions, GATT, as it stands today, represents, in essence, an aggregate of international trade rules intended mainly for countries with a capitalist economic system. However, viewing the matter not too dogmatically, this must not necessarily *a priori* and definitively rule out co-operation under GATT's aegis with countries having other economic systems, provided that it was feasible to co-ordinate technically the foreign-political instruments, the purport of this technical co-ordination being to avoid affecting the essence of each individual system on either side. The Declaration on the relations between Yugoslavia and GATT actually represents a realization of idea and, above all, an instrument of co-operation between countries with different systems, an instrument of co-existence. For this reason, it is of far wider significance than the concrete relations between Yugoslavia and GATT by themselves.

The Declaration recognizes the Yugoslav economic system as it is, our obligation to respect the GATT rules having been formulated so as to omit everything which is incongruent with it. As a result, Yugoslav trade relations with the GATT members are regulated by the Declaration on the basis of those GATT rules which do not demand the exclusion of incongruity. Applicable thereto is the principle of „reciprocity and mutual benefit, in order to achieve an equitable balance between the rights and obligations in the sense of GATT's provisions." This supplanted the „effective reciprocity" formulation, which had come up during the negotiations, threatening to put Yugoslav relations with the GATT members into the rigid frames of bilateralism, incompatible with the provisions and spirit of GATT.

The temporary character of the Declaration is evident in the provision that Yugoslavia shall seek in her trade policy gradually to approach the point where she will be able to assume the GATT obligation in full i. e., become its full member. The time limit for this has not been precise, which is additional evidence of the flexible nature of the arrangement.

The remaining obligations which were assumed by Yugoslavia under the Declaration are: (a) that in her trade relations with the signatories of the Declaration she shall adhere to GATT's aims; and (b) that she shall give favourable consideration to the representations made to her by the other signatories and which relate to the application of GATT's regulations, consulting with them on such matters and agreeing, in case the matters in question cannot be settled by these bilateral consultations, that the points at issue be put before GAAT's plenum „for advice and opinion."

Given the fact that the arrangement with GATT is based on „reciprocity and mutual benefit, in order to achieve an equitable balance between rights and obligations", the following obligations of the remaining signatories form a counterpart to the stated Yugoslav obligations: (a) in their trade relations with Yugoslavia they shall adhere to the aims of GATT; (b) subject to Yugoslavia's according them the treatment provided by GATT, they shall also accord such treatment to Yugoslavia whereby the rights and obligations may be balanced in accordance with GATT's regulations; (c) they shall give favourable consideration to all representations by Yugoslavia, consulting with her and agreeing that unsolved problems be submitted to GATT's plenum for advice and opinion; (b) they shall invite Yugoslavia to take part in the work of GATT and subsidiary organs (true, without the right to vote, but since vote is almost never taken in GATT this exception lacks a special practical importance).

The Declaration covers an additional mutual obligation, viz., through GATT's plenum, the signatories of the Declaration and Yugoslavia will annually review their mutual relations and explore possibilities for further progress in the

direction of a full application of GATT's regulations by Yugoslavia.

As is seen, this agreement provides only the framework for beneficial multilateral co-operation, aimed at the expansion and consolidation of Yugoslavia's existing trade relations with the signatories of GATT. In the first place, it makes for an almost full and equal participation of this country in the work of GATT's plenum and that of its subsidiary bodies. Thus Yugoslavia can influence the bringing of decisions both of a more general nature and those affecting individual countries. As concerns the content that will be obtained by the framework established by the Declaration, and the measure in which „an equitable balance of the rights and obligations" will be achieved, this will depend not only upon Yugoslavia, but her prospective partners who may sign the Declaration. Both sides have demonstrated good will and understanding in the course of the negotiations which have led to the Declaration, and there is no reason to believe that it might be otherwise in the course of the actual implementation of this arrangement. The past work of GATT, which has always succeeded in finding satisfactory solutions, even for the most difficult problems between its members, can be a guaranty of this. Implementation of the Declaration on the relations between the Federal People's Republic of Yugoslavia and GATT is bound to confront this organization with fresh problems, too, such as could not have arisen in its practice before, since, as mentioned in the beginning, this Declaration is an instrument of co-operation between countries with different economic systems. This fact is bound to play a most significant rôle in the promotion of relations between this country and GATT, very largely determining the content of the framework laid down by the Declaration.

This was particularly noted during the discussion on the Declaration at the last GATT meeting which indicated that the agreement reached surpassed the framework of the Yugoslavia — GATT relations. In effect, in welcoming Yugoslavia's approach to GATT and wishing her to attain full membership as early as possible, some delegations did not fail to emphasize that with the implementation of the Declaration, GATT's members would gain experience on how to establish trade relations between countries with different systems inside GATT. This experience, it was further pointed out, might serve as a precondition for a possible subsequent revision of GATT which would make it into a truly world wide trade organization, encompassing countries with the most diverse economic systems. This would enable GATT to realize that which until now for a number of political and other reasons, it has been impossible to realize within the United Nations. Taking such a long-term view, we can be more than satisfied that — if all goes well — the Declaration will play a pioneering rôle in this important field of international co-operation.

To our readers

The editors of the „Review of International Affairs" kindly request our readers to send their observations, wishes and objections concerning the general conception of the review, the amount of space allotted to the individual columns and subjects especially those relating to the Yugoslav reality, the treatment of individual subject and quality of the articles, style, language etc., to the editorial office, Beograd, Jovanova 16. The editors thank the readers in advance for the valuable assistance thus extended.

THE CREDIT POTENTIAL OF THE YUGOSLAV ECONOMY

By Leon RIP

I.

DETERIORATING terms of trade are very frequently cited in contemporary writings as the reason for the appearance of mounting of the balance of payments deficit, especially in insufficiently developed countries. Considering that the prices of primary products, which represent the bulk of the exports of underdeveloped countries, are subject to more perceptible fluctuations than the prices of the manufactures imported by these countries, underdeveloped countries have, in the past, been exposed to very sudden and marked declines in the receipts from their export trade, resulting in the appearance or worsening of their payments deficit. Unquestionably deteriorating terms of trade have been causing appreciable foreign-exchange losses to underdeveloped countries, particularly in certain phases of the post-war period, leading to the appearance or increase of their payments deficit.

However, taking a long-range view, the payments deficit of economically insufficiently developed countries under present conditions, represents, above all, a function of the mobilization of supplementary foreign resources necessary for safeguarding an accelerated economic development, for which purpose domestic sources of accumulation are inadequate. A majority of countries have had recourse, for longer or shorter periods of time, during particular phases of development, to utilization of supplementary foreign resources, since their domestic sources could not provide the accumulation needed for coping with all the problems engendered by economic development.

Obviously, undeveloped countries have to rely primarily on their own sources for their development, which should provide the means for financing the bulk of the cost of development. It is conceivable, therefore, that economic development imposes sacrifices which build the foundation of a better tomorrow. However, modest production, very low productivity of labour, and the natural character of the economy, all of which is more or less characteristic for every undeveloped country, afford a very modest mass of accumulation, even in the cases where the accumulation rate is specially high.

Thanks to the advantages of a socialist economy and, particularly, to the social relations which are developed in Yugoslavia, we have been able to ensure a significant accumulation rate during the past years. But notwithstanding the fact that the gross investments made in particular years absorbed up to 27 per cent of the social product, the resources accumulated were inadequate to carry out the programme of our economic development in the past years.

II.

THE PREMISES from which we started in the Yugoslav prospective plan were founded on the provision that a notable production growth in the coming years would call for an enlarged export volume, which would make for a reduction of the total, that is a practical liquidation, of the current payments deficit by 1961, provided that exports rose more quickly than imports.

At current prices, the export of goods and services went up by 11 per cent during 1957 and 1958, while there was a simultaneous 3.6 per cent increase in expenditure on imported goods and services. Favourable ratios between the movement of exports and imports have also been recorded during the first five months of this year. Again at current prices, the exports made during the period of January-May this year exceed by 6 per cent of the same period last year. By contrast, the imports made during the first five months of this year were 6 per cent below those from the corresponding period of 1958.

A specially gratifying circumstance is that there has been a further rise in the exchanges, notably on the side of exports as realized during 1953 and this year, in the face of the economic recession which was reflected in a perceptible reduction in the trade exchanges of certain of our more important foreign-trade partners and led to rather marked price drops of a number of our export products.

Thanks to the achievement of more favourable ratios between the exports and imports, that is, the fact that 1957 and 1958 saw a quicker increase of receipts from imports than of the expenditure on exports, it has proved possible to achieve the following reductions of the total payments deficit (in thousand million dinars, at current prices):

	1957	1958
Total deficit (goods & services)	46.1	35.9
Current deficit	35.1	22.6

The simultaneous growth of exports and decrease of imports during the five months of this year, compared with the same period of 1958, led to a marked reduction of the adverse trade balance, as witnessed by the statement below (in thousand million dinars, at current prices):

	1958	1959
Exports	50.7	53.7
Imports	86.4	81.3
B a l a n c e	-35.7	-27.6

A further increase of imports of reproduction material and equipment over the present level, which should safeguard production and income increases in the coming years, will be financed in considerable measure from the saving made through a perceptible reduction of imports of staple food products. It will be possible to use the bulk of the amount of over 100 million dollars which had been earmarked to finance imports of basic foodstuffs this year for purchases of other commodities. Given the fact that the insignificant increase of current import expenditure should coincide with a further and substantial export rise, the ratio between export and imports will improve to such extent that, in the

main, it should be possible to realize the reduction of the current payments deficit foreseen under the Five Year Plan.

However, notwithstanding a practical liquidation of the current payments deficit, Yugoslavia will still have to rely on utilization of certain amounts of supplementary foreign resources. In the past, bulk of the foreign resources realized was used to finance food imports, that is, used to cover the country's current needs. Imports of basic food products accounted for 85 per cent of the total payments deficit during the period of 1953-56. (The average annual imports of food in 1953-56 came to 32,500 million dinars, whereas the total annual payments deficit averaged 37,300 million dinars in the same period). Nevertheless, the successes recorded in raising agricultural production indicate that the imports of staple foods will suffer a considerable reduction by 1961. Therefore, in the years ahead, food imports should have only an insignificant influence on the movement of the payments deficit.

Considering that the volume of investment in industry has stagnated, and even fallen off, since 1952, it is essential to intensify investment in industry in the coming years, so as to ensure a quicker and continual increase of industrial production even in the post-1961 period. In this context, this year it has already been decided to start work on a series of capital projects involving long-term construction periods. To be able to carry out the programme of increased investments successfully in the coming years, it will be necessary to ensure certain amounts of net supplementary foreign resources, which means that utilization of foreign funds in the coming years should exceed repayments of commitments, the amounts necessary for crediting our exports, and the outlays to increase the reserves of foreign exchange.

As distinct from the preceding period, when the predominant portion of the foreign resources realized went to finance imports for the country's current needs in the coming years the bulk of the foreign resources will be used to import equipment, that is, to give a direct impetus to the country's economic development. Therefore, the function of the payments deficit in the coming years will narrow down to utilization of supplementary foreign funds to continue the country's accelerated economic development.

The possibility of realizing the necessary amounts of supplementary foreign resources is closely interconnected with the question of the economic potential of our country. Thanks to regular repayments of the maturing obligations and a simultaneous contracting of fresh loans (excluding surplus farm products), an effective debt amounting to 377 million dollars had been reached during 1955. As a result the effective debt came to 88 per cent of the total export receipts realized in that year. Repayments of obligations in 1952-56 absorbed an average 16.2 per cent of the total export receipts during that period. The current payments deficit in 1956 came to 28.9 per cent of the total export receipts, while the foreign funds realized (calculated at twice the official rate of exchange) equalled 7.9 per cent of the national income from the same year.

Since 1953, Yugoslavia's national income has grown by an average 9 per cent annually. This significant rate of national income increase in past years can be held up as an example of a very high productivity and can be held up as an example of a very high productivity and investment of both domestic and foreign resources. Thanks to the achievement of such a large economic growth, our over-all export receipts also rose in the interval, from 429 million dollars in 1955 to 590 million dollars in 1958. The current payments deficit in 1958 amounted to 12.8 per cent of the total export receipts, while the aggregate repayments of obligations in 1957 and 1958 absorbed 8.5 per cent of the total export

receipts from these two years. In 1958 the foreign resources realized came to 6.2 per cent of the national income.

Unquestionably the increased income, the improvement in the balance of payments, and the prospect of an early elimination of the current payments deficit, has contributed to the enhancement of our credit potential. However, this augmented credit potential has not been adequately turned to account, as illustrated by the movement of our effective debt in the last years. Our effective debt in 1958 (excluding surplus farm products) equalled 407 million dollars, as against 377 million dollars in 1955.

Even though short-term trade credit at high rates of interest was perceptibly cut down during 1956 and 1957, we still made annual repayments, with our debt standing at 367 million dollars (1953-57 average), totalling 53 million dollars for principal and interest (including 8 million dollars for interest alone), which is indicative of the fact that the terms on which a considerable part of the loans had been concluded could not be considered as advantageous, whether in the matter of repayment periods or that of interest. Indeed the investment loans or credits which could be realized in the past period have involved mostly middle- and short-term transactions, at a comparatively high rate of interest. This has resulted in annual payments claiming a comparatively significant part of the total foreign resources or loans realized. Realization of loans with longer repayment terms and at a lower rate of interest would ensure a greater profitability of the projects built on the basis of loans. At the same time, the credit potential of the country would be enhanced by the fact that the undertaking obligations for a longer period of years would bring a reduction in annual payments tying up a lesser amount from the export proceeds toward repayment of commitments as a consequence.

The previously ensured transferability of the OEEC currencies and the recent steps of West European countries to make their currencies convertible, as well as the possible application of the provisions on convertibility to our country also, might enable our loan-seekers to turn towards creditors offering better terms. In the changed circumstances, the possibility of obtaining credits will not be as strictly limited by our payments-balance relations with individual countries, but will be conditioned more and more by our payments-balance relations with all the countries which have passed to the system of transferability and convertibility.

The amazing economic development in the past years, and the prospects of an early achievement of an internal and external economic equilibrium in current operations, influence the raising our credit potential to the point where we should be able to realize the necessary foreign resources for proceeding with a quickened economic development.

To our Readers

THE „REVIEW OF INTERNATIONAL AFFAIRS“
WILL APPEAR ON 1st JULY EVERY YEAR AS A
DOUBLE NUMBER (FOR 1st AND 16th JULY)

The Communist Party of Yugoslavia as the Organizer of Armed Revolt

by Andra MILANOVIĆ

The complex of contradictions which had accumulated on the soil of prewar Yugoslavia giving rise to a continual economic and political crisis of the ruling system had made Yugoslavia one of the weakest links in the chain of world imperialism. The Yugoslav bourgeoisie had proved incapable of finding a way out of that crisis. During the twenty years of its rule it not only failed to promote the country's productive forces and open a vista of economic prosperity to the working masses, but kept them in a state of extreme uncertainty in the matter of subsistence. A high degree of exploitation of the working class, unemployment, extreme impoverishment of wide segments of peasantry, an unsolved national question and a host of other evils were engendered by the economic undevelopment and semi-colonial dependence of the country.

True, the bourgeoisie had been trying to find a way out of the crisis, but it was doing so along the line of its narrow class interests, by introducing dictatorship and fascism. However, those efforts were meeting with the tenacious resistance of wide masses of people and were doomed to failure. Moreover, this resistance was breeding an increasingly stronger revolutionary movement whose fundamental force was the working-class, with its vanguard, the Communist Party of Yugoslavia, at its head.

Feeling weak inside, fearful of the revolutionary ferment, the ruling Yugoslav bourgeoisie sought support outside. It orientated itself more and more toward the centre of world reaction, toward the fascist Axis powers, jeopardizing by its bond with fascism even the very national survival of the Yugoslav people. All this had tended to render even more acute the existing antagonisms and intensify even more the existing crisis.

The efforts of the Communist Party of Yugoslavia during the years preceding the Second World War that a government with a wide democratic unity be formed with the participation of Communists and that a democratization of government be carried out in Yugoslavia could not be realized because not a single faction of the Yugoslav bourgeoisie was prepared to uphold the efforts of Communists in this direction. As a result, on the basis of their own political experience, the masses were becoming increasingly cognizant that the only way to resolve the contradictions in Yugoslav society was the way of revolutionary overthrow of the ruling class and a forcible taking away of power from its hands. The Communist Party of Yugoslavia had not only been indicating the inevitability of such a course and opening a socialist perspective to the working masses, but had orientated its whole activity toward the creation and consolidation of a combat alliance of the working-class with the working peasantry and the people's intelligentsia, with a view to leading them, too, along such a road, the road of overthrow of the capitalist state and social organization in Yugoslavia at a suitable moment.

That the Communist Party of Yugoslavia had, in the period of a growing danger from fascist enslavement, increasingly bound its struggle for the national and social liberation of the Yugoslav peoples with a struggle for the country's defence did not signify at all that the Party had renounced its

ultimate aims, but only proves its capability to adjust its revolutionary tactics to the concrete conditions and completely co-ordinate them with the vital interests of the Yugoslav people.

The Second World War, the fascist aggression against Yugoslavia and particularly the Soviet Union, had only quickened a revolutionary denouement in Yugoslavia, imparting to this denouement a specific form, the form of the People's Liberation War and the People's Revolution. Consequently the Socialist Revolution in Yugoslavia cannot exclusively be associated with the German attack against the Soviet Union because the Communist Party of Yugoslavia had been a Marxist party ever since its foundation which adopted Lenin's policy and which never gave up its programme principles for a revolutionary transformation of Yugoslav society.

There is a series of historical facts indicating that the Communist Party of Yugoslavia had adopted a course toward an armed revolt at once, the moment it came face to face with the fascist invaders, even before the capitulation of the former Yugoslav Army and considerably before the German attack against the Soviet Union. Thus already on April 10, 1941, at its meeting in Zagreb, which had been entered on that day by German troops without any resistance, the Central Committee of the Communist Party of Yugoslavia had decided that the Party proceed to preparations for launching an armed uprising. For this purpose, the Central Committee of the Communist Party of Yugoslavia had formed a Military Committee headed by the Secretary General Josip Broz Tito. At the same meeting it was decided to call on all Party committees to organize a gathering and cacheing weapons and themselves, too, to form military committees. The Central Committee similarly decided to send the majority of its members to Serbia, Bosnia, Montenegro and Slovenia to conduct the preparations for armed struggle.

The way these preparations were implemented is shown for example, by the results achieved by the Party organization in Montenegro, where, several thousand rifles, about 200 sub-machine guns, several machine guns, 2 artillery pieces and larger quantities of ammunition and other material were gathered together within a short time.

On April 15, 1941 the Central Committee of the Communist Party of Yugoslavia issued a Proclamation to the Peoples of Yugoslavia in which it extended support to the soldiers of the Yugoslav Army who were resisting the invaders and simultaneously indicated the possibility and perspectives of struggle in the new situation, i. e., after the defeat of the Yugoslav Army. The Proclamation said this, inter alia:

„Peoples of Yugoslavia! ... You who are fighting and falling in the struggle for your independence may rest assured that this struggle will be crowned with success, even if you now went under in this struggle in the face of a superior enemy. Do not be discouraged, close your ranks firmly, keep your head high even under the worst blows: Communists and the whole working-class of Yugoslavia will persist until final victory in the

forefront of the struggle against the invaders... A free brotherly community will be created on a true independence of all peoples of Yugoslavia."

These lines leave no doubt whatsoever regarding the orientation of the Communist Party of Yugoslavia toward an armed struggle "until final victory," nor regarding the character and aims of this struggle, which should lead to the creation of a new state representing "a free brotherly community of all peoples of Yugoslavia."

The German attack against the Soviet Union, then, has the significance of the most important objective factor for our Revolution. This attack had created the indispensable material and psychological preconditions for the beginning of armed struggle in Yugoslavia and had given to this struggle real prospects of a victory, but the roots of our revolution go far

deeper. They lay in the unsolved national and social question in the former Yugoslavia, in the extremely acute contradictions that had existed in that country, as well as in the resolve, firmness, unity and clear outlooks of the Communist Party of Yugoslavia and the strength of the revolutionary movement which it headed and prepared for a final settlement of accounts with capitalist exploiters. The magnitude of this strength has been best proved by the Socialist Revolution itself in Yugoslavia, that glorious work of the Communist Party of Yugoslavia carried out under the most difficult conditions of a grim struggle against the fascist occupation authorities and the domestic traitors, and fettered from the first to the last day by Stalin and the Comintern who tried to relegate it to the level of a "resistance movement" and exploit it as small change in the foreign-political calculations of the Soviet Union.

Official Statements

Yugoslav Attitude on...

June 5

SOVIET-ALBANIAN DECLARATION. — *Reuter's* correspondent asked whether there was any official comment on the Soviet-Albanian Declaration, especially on those sections in which readiness for inter-state relations with Yugoslavia were expressed, while at the same time revisionism was sharply attacked. The official spokesman replied: "We do not consider it necessary to comment on all details of the Soviet-Albanian Declaration, because these are principally matters concerning the relations between those two countries. As regards the section of the Declaration in which readiness for the development of inter-state relations with Yugoslavia was expressed, we can, on this occasion, again state that Yugoslavia has always desired and made efforts, and still desires today, that these relations should develop "on the basis of mutual respect, equality and non-interference in internal affairs", as it is expressed in the Declaration. We should therefore welcome a policy which would mean the application of these principles in life. But in any case, as in the past this will not depend on Yugoslavia alone. In accordance with our stand against atomic armament in general and against all foreign bases, we consider that the attitude in the Declaration that the region of the Balkans and Adriatic Sea should be made to improve relations between states in this region. We also consider as constructive the idea that efforts must be made to improve relations between states in this region. We consider that this is not the place to comment on the sections of the Declaration which deal with ideological questions. However, we can just point out that the statement that revisionism is a danger to the security of the socialist camp' permits many interpretations".

REGARDING THE IDEA TO CALL A CONFERENCE OF BALKAN COUNTRIES. — "Yugoslavia's attitude towards Kivu Stoika's proposal is already known. Regarding concrete measures, we shall continue to be guided in the future by whether they tend to improve relations between the Balkan nations and whether they contribute to the consolidation of peace in this part of the world. However no concrete proposal has been received."

STATEMENT OF THE REPRESENTATIVE OF THE ALGERIAN LIBERATION MOVEMENT ON THE READINESS FOR TALKS WITH FRENCH REPRESENTATIVES. — "We have

stressed many times that in our opinion peaceful talks between the French and the Algerian Provisional Governments, on the basis of the acceptance of the legal rights of the Algerian people, are the only way to reach peace in Algeria, which would greatly contribute to the improvement in the general international atmosphere as well."

ARTICLE IN AUSTRIAN PAPER "DIE FURCHE". — The "United Press" correspondent asked whether there was any comment on the article on Yugoslavia published in the Austrian weekly "Die Furche", in which it was asserted that rocket bases were being built in Yugoslavia and "Yugoslav officers were being sent to various satellite countries to be trained in the field of rocket weapons". In the article it is also asserted that the Yugoslav nuclear institutes in Zagreb and Ljubljana have Soviet, Czech and German engineers among their technical experts. The official spokesman replied: "We consider that such a stupid and provocative article is not worth refuting, but if you wish we can state that all the assertions in the article in "Die Furche" are completely untrue."

Finally, the spokesman of the Secretariat of State for Foreign Affairs was asked what significance and meaning there was in the article by the Albanian Ambassador in Moscow, published in the Soviet periodical "International Life", in which were cited the accusations made by Enver Hoxha at the 21st Congress of the Soviet Communist Party that the "Yugoslav revisionists" together with the imperialists had tried to liquidate Albania. The article was published shortly after the Soviet-Albanian declaration. "We are wondering too" — was the answer.

June 12

VISIT OF KOČA POPOVIĆ TO GREECE. — "It was decided that the visit should take place after completion of the work of the Yugoslav-Greek Mixed Commission which has solved a number of questions concerning bilateral relations and which has now completed its work." Koča Popović will visit Greece from June 16 to 18 and will sign the agreements reached by the Commission.

(Extracts from the News Conferences held by the Official Spokesman of the State Secretariat for Foreign Affairs on June 5 and 12).



Cable Works

NOVI SAD — „NOVKABEL“

— THE WELL-KNOWN SUPPLIER OF ELECTRIC CONDUCTORS AND CABLES OF EVERY DESCRIPTION
TO THE YUGOSLAV AND FOREIGN MARKETS —

THE outstanding social and economic transformation, which took place in Yugoslavia in the brief span of time of only a decade and a half, could not be even thought of without a vigorous and dynamic industrial development and an extensive and powerful expansion of the country's electrification. Among the most important enterprises of the electric manufacturing industry, which had the rôle of vanguards during the period of transformation, in which Yugoslavia from a backward agrarian became a developed industrial country, the Cable Works, Novi Sad („Novkabel“), played an outstanding part. Founded in 1922 as a branch of the well-known Felten & Guillaume Cable Works of Budapest, the Novosadska Fabrika Kabela after six years changed hands and became the property of Yugoslav shareholders. During the period prior to World War II, the Factory developed into one of the bigger and more important industrial enterprises of the country. Although this pre-war period has been decisive from the point of view of industrial tradition, technical skill of the labour force and a high, well-deserved commercial regard, has doubtlessly been of great importance for the development of the Factory, the post-war period has been decisive for the rapid growth of the Factory and its becoming one of the big and up-to-date industrial enterprises of post-war Yugoslavia.

If the post-war development of the „Novkabel“ Works is considered from year to year, it will be seen that this was under the direct influence of the general conditions in which Yugoslavia found itself, confronted with the disastrous consequences of the war and the extensive destruction brought about by the same, and with a task of carrying out an imposing program of the new economic and social development. The diagram of the post-war development, therefore, shows two clearly distinct parts. The first, in which the „Novkabel“ Works had as their primary task the fulfilment of the goals as set by the Five-Year Plan of development of the Yugoslav economy, extending and completing at the same time the Work's manufacturing fa-

cilities. The second part coincides with the handing over of the Works to the Workers' Management, and in this period the „Novkabel“ Works completed at a rapid rate their program of reconstruction and modernization, extended their line of products and rapidly affirmed their position on the international markets.

Large scale investments, through reconstruction and increase of production capacities, together with the introduction of the most modern manufacturing technique, was initiated by the end of 1955. The value of the work carried out up to present on the reconstruction of the Novi Sad Cable Factory totalled more than 4 million dollars. The reconstruction carried out in stages was so thorough, that the Factory may be considered with full justification as a completely new plant. The present output capacity, as compared with 1945, is five times as big, and the assortment of products is considerably greater and is being increased steadily.

The Factory's own investments and

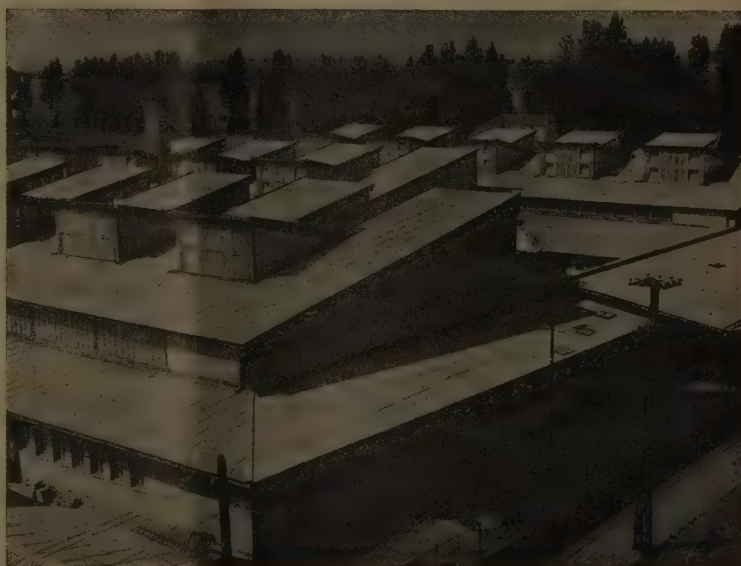
smaller credits up to 1956 amounted to: new equipment — 794,822.050 dinars, new buildings — 508,379.000 dinars.

The new reconstruction credit will enable the Factory to resolve all problems of accommodation and working conditions, while the purchase of new machinery will assure production on a bigger scale and with a wider assortment of products.

The remarkable increase in output is a result not only of more equipment and the formation of new manufacturing departments, but also the result of a substantial increase in productivity. The value of goods manufactured per worker employed has increased from 2.1 million in 1951 to 5.53 million in 1956, to 10.01 million by the end of 1958, and this is evidence of profound and essential changes in the manufacturing process itself.

PRODUCTION

IN SPITE of the comparatively recent large scale investments into the enlargement of the manufacturing fa-



VIEW OF THE NEW FACTORY HALLS

ilities and assortment of products, the working collective of the Cable Works relying on the stability of its labour force and its long experience, has made extraordinary efforts to increase output, to supply an ever wider assortment of products, and thanks to the high quality of the goods manufactured, very soon ranked among the best known manufacturing enterprises of the country.

Taking 1950 as the index year for the comparison of the efforts and results achieved, the following figures will give a vivid picture of the increase in output: 1950 — 100, 1951 — 129, 1952 — 168, 1953 — 212, 1954 — 234, 1955 — 273, 1956 — 362.

The Novi Sad Cable Factory, concentrated its efforts on the manufacture of the following standard products:

- All sorts of low tension conductors, mainly thermoplastic, compound insulated;
- Steel wire cables for transport, mining, shipbuildings, marine aircraft, etc. The manufacture of steel wire cables is a specialty of the Factory;
- Special conductors for the telephone, radio and telecommunications industries;
- Special glass fibre insulated conductors, cables for communication systems and for military use, aircraft cables, etc.;
- All sorts of dynamo wires: paper, cotton, silk, asbestos, and glass fiber insulated;
- Aluminium wire cables and steel reinforced aluminium wire cables of all sizes and dimensions for

overhead lines. Bare aluminium wires. All constructions and sections according to all international or national standards;

- Section wires for all sorts of transformer and rotary electric machine windings;
- All sorts of trolley wires for electric railways and municipal transportation (trolleybuses and trams);
- All sorts of pressed tubes and bars, in all qualities of copper and brass;
- Special articles, such as: capillary tubes, condenser tubes, lubrication tubes for high pressures as well as pressure gauge tubes.

The manufacturing program of the Factory clearly indicates that considerable efforts are made to introduce the widest possible assortment of articles into manufacture according to standards and requirements of almost all countries to which the Factory is exporting.

Besides working to the Yugoslav JUS standards, the cable plant is also working to the German DIN and VDE, the British BS, the American ASTM, the Soviet GOST standards, as well as to other standards, according to customers' request.

By paying full attention to standard production of a determined assortment of articles, the Factory has won a good reputation, and its products have found a steady outlet on the world markets.

In close connection with the problems of production, the inspection and control of raw materials has been steadily carried on. An Institute has been founded, the Factory's laboratories have been enlarged

and are in charge of the complete control of all incoming raw materials, the control of the manufacturing process and of semi-manufactured products, as well as of finished products. The Factory's Institute consists of:

- Laboratory for physical and mechanical testing;
- Chemical laboratory;
- Metallographic laboratory;
- Research and development department;
- Incoming material control and control of the manufacturing process.

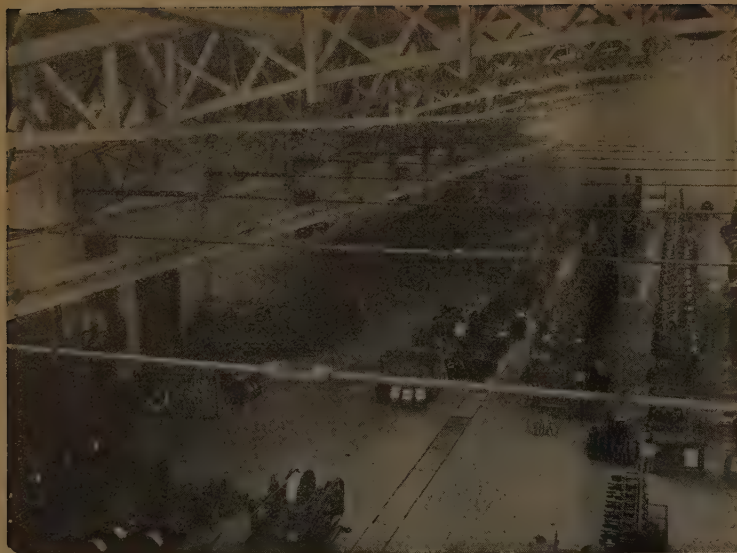
During its more than 30 years of operation, Novi Sad Cable Factory has acquired experiences under very difficult conditions. The labour force of the Factory with its skill and experience, and its assured material basis, is able to solve even the most difficult and complicated problems of manufacture and modern technology.

A further increase in output and a still wider variety of standard products are to be expected with the completion of the reconstruction, which is well under way, and should be completed by mid-1959.

The reconstruction of the Factory will make it possible to introduce a completely new line of products, using newly developed plastics, which are already in widest use for the insulation of low-tension wires. Among these are polyethylene, nylon, polystyrol and similar plastics. The intention of the Factory, after reconstruction, is to pay special attention to special sorts of wires for the widest use, including even such which are in demand in very small quantities.



„NOVKABEL“ AT THE BELGRADE FAIR



THE MACHINE HALL

The necessity to bring the manufacturing program into accordance with the requirements of the market has been accepted by the working collective of the Factory as a permanent task, and considering the results and successes achieved so far, it may be said with confidence that further successes will inevitably be achieved.

EXPORTS

PARALLEL with the increase in output and the growth of its reputation on the domestic market, the Novi Sad Cable Factory started to export its products to foreign markets in 1952.

The efforts to penetrate foreign markets, to adapt its products to the requirements of foreign customers, has demanded new efforts of the working collective, because Yugoslavia formerly appeared only as a buyer on the world markets, buying cable products of a wide assortment, in considerable quantities and of high value. It is only natural that the beginnings of our exports to foreign markets had to be cautious, and that we had to content ourselves with modest successes. It is certain that the appearance of Yugoslav factories, as exporters of cables on the world market, has not been accepted with sympathies, but on the contrary, a very stiff competition of world known manufacturers made it extremely difficult to get a foothold abroad. The results obtained in the export efforts, and the further efforts to win markets against strong competition, is possible only if the product is of the highest quality and if our prices are on the level of the world prices. Delivery terms for export goods have to be kept as far possible within the possibili-

ties and terms of other manufacturers. All this has been clearly realized by the collective of the Novi Sad Cable Factory, and is the foundation of all their export endeavors.

The successes, obtained in exports by the Cable Factory, are quite satisfactory, but all the technical and commercial possibilities are not yet used to full advantage.

The exports may be seen from the following table: 1952 — 30,000, 1953 — 230,000, 1954 — 520,000, 1955 — 960,000, 1956 — 1,339,000, 1957 — 917,000, 1958 — 1,891,260 U.S. \$.

A wide assortment of articles, particularly insulated conductors, which represent the greatest part of goods exported by the Novi Sad Cable Factory, has been exported to the following countries: Egypt, Iraq, India, Jordan, Iran, Burma, Lebanon, S. Arabia, Kuwait, Syria, Turkey, Tunis, Greece, W. Germany, Poland, Italy, Paraguay, Cyprus.

An analysis of the markets has shown that about 80 percent of the countries, to which the Factory was exporting its products, are countries of the Near and Middle East.

PROGRAM OF MANUFACTURE

1. INSULATED WIRES, CABLES AND CORDS INSULATED WITH RUBBER, THERMOPLASTICS OR OTHER MATERIALS, ACCORDING TO ALL STANDARDS.

A — POWER TRANSMISSION, LIGHTING AND SIMILAR APPLICATIONS.

— Single core WIR, taped, braided and compounded, for internal or external installations.

- Cables resistant against atmospheric influences.
- Cables for work under high and low pressures.
- Metal sheathed cables.
- Cables for electric trams and railways.
- Cables for lighting tubes.
- Hard rubber and PVC insulated cables.
- Rubber sheathed and PVC insulated cords.
- Flexible cords for lighting fixtures.
- Flexible cords for portable electric power appliances.
- Mining cables.
- Fire-resistant cables and cables resistant to high temperature.
- Welding cables.
- Short-firing cables.
- Elevator and lift cables.
- Automotive ignition and lighting cables.
- Aircraft cables.
- Cables for installations on board ships.
- Flexible cords and cables of every description, for all industrial, agricultural and other applications.
- Lead-alloy insulated cables (upon request).
- Special types of cords and cables of every description and for all applications (upon request).
- Dynamo wires and flexible cables, round and flat, silk, rayon, cotton, glass fiber, paper, asbestos insulated.



CABLES



INSULATED CONDUCTORS

- Insulating tape.
- Cotton and quilted braids.
- Bermann-type conduits.

TELECOMMUNICATIONS

- Insulated conductors for lead-in, internal and outdoor telephone installations.
- Insulated lead-in conductors.
- Cotton covered waxed wires.
- Wires and flexible conductors for the erection of signal installations.
- Telephone and signalling equipment cables (upon request).
- Insulated conductors and cables for installations.
- Bell ringing cords.
- Enamelled insulated cords.
- Connectors for stationary and portable installations.
- Battery terminals for low and high tension batteries.
- Connecting and distribution wires, textile covered.
- Telephone cords.
- Cords for micro-telephones.
- Cords for telephone exchanges.
- Telephone cables, rubber and PVC insulated.
- Telephone cables for mines.
- High-frequency cords and cables.
- Conductors for X-ray apparatus.
- Conductors and cables for different connections of apparatus, instruments and installations.
- Wires, cords and cables for the radio-industry.
- Microphone cables.
- Lead-ins for antennas, insulated, flexible.

- Transmitter and receiver antennas.
- Other special conductors for telecommunications.

II. COPPER

- Bare, copper wire, hard, semi-hard and annealed, 0.1 to 8 mm. dia.
- Tin coated copper wire, from 0.1 mm. dia. and up.
- Stranded copper conductors cross section, from 6 to 185 mm², for overhead lines.
- Round and grooved section trolley wire.
- Dynamo wire, round, flat and stranded
- Copper bars, round, from 2 to 80 mm. dia., square, hexagon and grooved.
- Copper tubes for the connecting of aerial lines, from 1.5 mm. up.
- Seamless copper tubing 5 to 90 mm. outer dia.
- Various sectional copper (upon request).
- Copper capillary tubes.

BRASS

- Brass wire, round and flat.
- Brass rods, flat, square, hexagonal and flat, drawn.
- Brass tubes from 5 to 90 mm. outer dia., square tubes and lead tubes.
- Various pressed brass shapes.
- Various sectional brass (upon request).

ALUMINIUM

- Round aluminium wire.
- Stranded aluminium conductors for overhead lines.
- Stranded aluminium steel reinforced conductors for overhead lines.

BRONZE

- Wire and wire cables (upon request).
- Phosphor bronze, manganese bronze, etc.
- Phosphor copper.
- Centrifugally cast cylinders and bars from bronze and brass, for low and high pressure bearings.
- Babbit metal in the qualities WM 10, WM 80, and WM 90.
- De-coppering wires.
- Cadmium-copper alloy wires.
- Copper and brass welding rods.

SPECIAL PRODUCTS

- Railway sections.
- Busbar sections.
- Unimax sections.
- Condenser tubes.

- Bourdon tubes (for pressure gages).
- Tubes and bars of special alloys (upon request).
- Precious metal and alloy wires.

All the above products are manufactured to standard qualities and specifications, on order from the customer, and orders are accepted for all standards, as well as to special technical specifications of the customer.

III. STEEL WIRE CABLES, BARE AND ZINC-COATED

According to standard specifications.

- Steel wire cables for general engineering.
- Steel wire cables for transportation.
- Steel wire cables for mining.
- Steel wire cables for buildings.
- Agricultural steel wire cables.
- Steel wire cables for shipbuilding and fishing.
- Steel wire cables for elevators, hoists, etc.
- Steel wire cables for lumbering and saw-mills.
- Steel wire cables for oil-fields.
- Ground cables, and
- Special wire cables for all applications.

All types and constructions are manufactured, according to order.

For all products a certificate of origin is given, or the products may be accompanied by a Lloyd's Register certificate.

For all products of the Novi Sad Cable Factory only high conductivity copper, with a conductivity of more than 58.5 Siemens (O.F.H.C. quality) is used.



PVC — INSULATED CONDUCTORS



•Zelengora•

KNIT GOODS FACTORY, UMKA NEAR BEOGRAD

THE TRADE-MARK of the „ZELENGORA“ factory, of Umka near Beograd, is already well known to all customers, men, women and children all over Yugoslavia. There are few people in the country without at least one article of clothing bearing the „ZELENGORA“ label. The trademark with its two elephants is guaranty of high quality and low prices.

Customers have discovered this for themselves and have even given this factory the name of „the people's manufacturer“. This is due, in the first place, to the reasonable prices of the goods and the full understanding of the needs and demands of the market, which governs the whole activity of the factory.

The results of the first efforts by the „ZELENGORA“ factory to sell their goods on numerous foreign markets, only confirm the optimistic belief, expressed by one of the managers of the factory, that the Trade-Mark with elephants will very soon be found in many towns and villages of Europe, Asia and Africa.

A NEW FACTORY ON OLD FOUNDATIONS

THE OTHER day we had the opportunity of spending several hours visiting this biggest Yugoslav knit-wear factory and finding out for ourselves how a factory, until recently scarcely heard of, has become so widely known and famous in such a short space of time

There are no secrets, or, perhaps it would be better to say that the „ZELENGORA“ workers make no secret of their way to success. They simply say: We are making the best of the existing manufacturing facilities, constantly searching for new development possibilities and following the latest achievements and developments in this field in similar factories throughout the world. But to make this possible, one of the primary conditions is to have up-to-date installations, as is the case here.

The workers, constantly acquiring more and more experience, are becoming experts in their work. One could even say that they are becoming true artists in their work, if this expression had not been already reserved for a number of de-

signers, with academic qualifications, who work in a separate department and every day create new designs, patterns and models.

— There is something we can't show you, however much we should like to — said one of the managers with a smile. — We can't show you the factory as it was when we began, five years ago. Perhaps we can find a few photographs though. We looked at the pictures, but could find nothing in common between the factory in the photos and what we could see around us. The low, old factory buildings have disappeared and their place has been taken by new, modern buildings, full of light. Just now the last memorial of the past is disappearing — the small building of the old transformer — station.

Looking at the new factory buildings, one fully realizes the soundness of the idea, conceived ten years ago, to build on this site, on the foundations of the old factory, which was more like an old-fashioned workshop, the newest and biggest Yugoslav knit-wear factory.

In the new and spacious factory buildings, the most up-to-date hosiery and knitting machines are installed. We heard

such names as „round loom“, „interlock“, „fine rib“ and „Supreme“ machines. These machines fill the vast departments of the factory, and make possible the mass production of ready-made goods of cotton, worsted and carded yarns, mixed cotton and synthetic yarn knitwear as well as mixed synthetic and woollen yarn goods.

The reconstruction and modernization of the factory took several years; until two years ago, in the small village of Umka near Beograd, the imposing „ZELENGORA“ factory with an annual output capacity of more than 1000 tons of finished goods, was not completed.

From this time on begins the factory's „golden era“. With the constant efforts towards developing and perfecting the manufacturing processes and improving productivity, „ZELENGORA“ finished goods rapidly conquered the domestic market.

Production is steadily increasing but is always exceeded by demand. A few figures will illustrate, better than any words, the almost incredible rise recorded by the factory, a rise which is continuing without interruption. In 1956, in the villages and towns of Yugoslavia, some 350 tons of goods from the „ZELENGORA“ factory were sold at factory pri-



e and totalled 840 million dinars. Three years later, on the basis of the orders already placed and the plans drawn up for this year, it is estimated that the goods manufactured will total some 940 tons at the factory price of about 2,250 million dinars.

An almost three-fold increase in production in the course of three years is, in any case, an outstanding achievement.



Dress made of combed woollen thread and bolero made of synthetic thread Dralon



Dress made of cotton-rayon mixture

To complete the picture, it should be added, that during the same period the number of workers has doubled, from 520 in 1956 to 1040 in 1959.

EVER-INCREASING DEMAND

THIS YEAR is a record year in many respects. Demand has increased to such an extent that the factory is working in three shifts, at full capacity to fulfil the numerous orders.

We were interested to know which goods head the sales list, but it was hard to get a precise answer—since it seems to be difficult to pick out one article from the long list of goods in great demand. It seems, however, that interlock underwear, ready-made children's garments and track suits rank the highest. Lately, however, the new line of ready-to-wear garments of mixed cotton and synthetic yarn, particularly rayon, as well as the newly introduced knitted jersey goods have unambigu-

ously found favour with the customers of the home market.

SPECIAL ORDERS

FROM A VAST assortment of mass produced goods, the consumer selects the products which best suit his needs and taste. The success of the product depends primarily on the degree to which the manufacturer has met the taste and the demands of those for whom his products are intended.

The „ZELENGORA“ factory has shown exceptional ability in adapting its products to the desires and wishes of the customers. It was very interesting to learn how this is achieved, considering the frequent changes in taste and fashion, which are never governed by fixed rules, even within one season.



The factory constantly studies the desires and wishes of customers and has a special department exclusively dealing with this side of the business. Besides this, all its products, before going into mass production, are submitted to the judgement of the public and of experts, either at the factory's fashion shows or in some other way.

At the same time we learned of another, quite frequent practice of the „ZELENGORA“ factory. Bigger buyers visit the factory to make their choice before placing orders. Certain trading enterprises may even monopolize the output of a certain article.

We were told of a very important customer, which has ordered, exclusively for itself, a certain pattern of cotton goods. This customer is the biggest and one of the best Yugoslav sports associations — „Partizan“. At the beginning of this sporting season, the management of this association decided to change the club's

Blouse made of combed woollen thread *
Skirt made of synthetic thread „Helanca“

colours, and thousands of members from now on wear the new, black-and-white sports dress. The „Partizan“ football team, one of the most popular in the country, appeared at the start of this year's National Championships in completely new colours, which met with the approval of thousands of its supporters.

EXPORT — THE NEW DIRECTION OF THE „ZELENGORA“ FACTORY

TWO YEARS ago the „ZELENGORA“ factory took the first steps in exploring the export possibilities for its high-quality goods. Samples were sent to many countries of Europe and Africa, taking account of the local characteristics and habits of various markets.

The results exceeded all expectations. The way was open and the factory received its first orders from abroad. But the

management pursued another policy and the very favourable commercial terms proposed and the numerous orders placed were not accepted.

The time has now come. The factory is now well equipped, the manufacturing processes are well in hand and the selection of goods to be offered is complete.

Now new samples are going out to a number of countries of Europe, Asia and Africa. The potential customer will not need to lose time in long negotiations. An order sent to the address: „ZELENGORA“ Factory, Umka, near Beograd will be sufficient to secure the quantity and quality of goods he requires.*

The „ZELENGORA“ workers are very optimistic. They are convinced that even the keenest competition from world-famous factories of similar type, with many decades of tradition and experience behind them, will not lessen the favourable impression made by high quality of the goods offered by „ZELENGORA“, which are intended primarily for the average customer, with modest means and good taste.

ANOTHER NEW DEPARTMENT

THIS YEAR the „ZELENGORA“ factory is starting production in a completely new department for gloves hitherto not on the manufacturing list.

The first samples have met with extremely keen interest. Ladies' gloves for all seasons and in all colours will be soon invading the market. The demand is so great that the placement of the gloves will present no problem at all.

Similar results are expected also in the manufacture of special gloves for work. All preparatory work has been finished and it is expected that by the autumn substantial quantities of these gloves will be leaving the factory.

Just a short time after the samples were sent abroad, the „ZELENGORA“ factory received letters from a number of very important enterprises in West Germany, Denmark and Sweden enquiring whether the „ZELENGORA“ factory could manufacture to their order substantial quantities of such gloves in the quality of the samples sent them.

Similar interest and an offer to place a very important order has also been received from the USA.

There is no doubt, that with this new line of products which it now offers its customers, the „ZELENGORA“ factory will only add to its reputation as a manufacturer of high-quality goods.



President Tito's Speech in Smederevo

The following is an excerpt from a speech delivered by the President of the Republic Josip Broz Tito at a large meeting in Smederevo, attended by 40,000 people, on June 8, 1959.

THE PEACE-LOVING FORCES THROUGHOUT WORLD ARE ACTIVE IN VARIOUS WAYS FOR THE PRESERVATION OF PEACE

Allow me now, comrades, to deal, in a few words, with certain foreign-political problems. You know that even today, world peace is in constant jeopardy. True, to a lesser extent than was the case two years ago, but still enough to prevent our saying that it is secure. You know that mankind is still beset by fears of a new war breaking out, of a fresh catastrophe occurring. You likewise know that peace-loving forces throughout the world are active in various ways for the preservation of peace, and prevention of a new war.

The German question, the Berlin problem, is now being discussed in Geneva, and some other problems, too, may be placed on the agenda. These are not yet summit-talks, but we believe that such a meeting at the highest level will also take place, since the responsible statesmen of the great powers are conscious of their responsibility before mankind, and we hope, therefore, that they will seek and find a solution for those international problems which continually hang over the head of mankind, like the Sword of Damocles. The conversations which are conducted are mostly proceeding today behind closed doors and far less in the open. Nevertheless, it is important for us that talks are going on, and we are only struck by the thought: how is it that, people have succeeded in meeting together and talking things over to find a *modus vivendi* and possibilities for agreement, when at the same time, while conversations are carried on at Geneva, the installation of rocket bases around us is being discussed in loud tones? Where is the logic of this? Where is the logic of discussing the use, that is to say, the installation, of such a dangerous weapon of war, the most dangerous weapon to mankind in existence? For, those rockets would carry atomic warheads, and atomic warheads spell death for hundreds of thousands, for millions of people. However, as we see, regardless of the lethal character of this weapon, preparations for installing those rockets are nevertheless being carried on at the same time as conversations are being conducted on how to prevent a new war, how to reach agreement in the world. Where is the logic here? I think that there is no logic in this at all. I consider that it would have been better if those whose representatives are holding talks at Geneva had agreed first to stop any installation and any talk about the installation and creation of those rocket bases while the Geneva discussions were in progress and while the settlement of international problems by peaceful means was being discussed. Nothing else would have been needed. It would be the only sound opening move at this stage, and mankind would welcome such a move which would inspire people with confidence and cause those negotiating today to make a serious approach to the examination of different problems, so that it does not amount to propaganda or to the deception of both one's own and other nations, but to a serious matter and the undertaking of the first serious steps.

YUGOSLAVIA HAS ALWAYS BEEN STRIVING FOR THE STOPPING OF EVERY MOUNTING AND INSTALLATION OF VARIOUS ROCKET BASES

As far as we, Yugoslavs, are concerned, we have always been opposed to all such rocket and other bases. We have always been opposed to armament and the armaments race, and today, too, we are making resolute efforts and are striving for the stopping of every mounting and installation of various rocket bases. Instead, we consider that efforts should rather be made for an approach, with the idea of reaching agreement, starting from the lesser problems and working up towards the major problems. We consider that they should do that if they desire to win at least the minimum confidence of people in the world.

One other matter I should like to mention, comrades, involves the problem of the Balkans, the problem of relations in the Balkans. This year, and recently in particular — just now while the Geneva talks are under way — it is interesting to note that references are again made to the Balkans as a powder keg. We thought that this powder keg had completely exploded during the Second World War and that it had disappeared. This powder keg destroyed millions of people in the Balkans, especially in Yugoslavia, and we thought we should never hear about it again, that the great powers would never again interfere in the Balkans and that this would no longer represent an element of apprehension for our people and the Balkan nations in general.

On a number of occasions already we have said that we considered it dangerous for Yugoslavia and the security of our country when rocket bases were installed and built, say, in Italy. For, we have no such armaments and weapons — and we do not desire to have them either. We are a peaceful country, we are a peace-loving people who know what war means, both the kind waged with conventional armament, which we have experienced in two World Wars, and equally so what war would mean at the present, when there are such terribly destructive modern weapons as atomic bombs and so on. We consider that it would be well, when the question arises today of creating the so-called atom-free zones, to bear in mind that this, even though it is sound, neither solves the problem nor completely eliminates the danger of a new war, though, in some sense, it does create a vacuum which would help to prevent a conflict. We consider such atom-free zones useful, for Yugoslavia is just such an atom-free zone herself.

WE CONSIDER THAT BOTH ITALY, AND GREECE, AND THE WHOLE BALKANS SHOULD BE IN THIS ATOM-FREE ZONE

But Yugoslavia cannot consider herself secure as long as atomic bases are created on other countries about her. If such a thing is attainable, and I think that it is — Khrushchev also spoke on the subject in Albania the other day — then it would have to be borne in mind that Hungary, Yugoslavia, Bulgaria and Albania alone cannot comprise an atom-free zone. The atom-free zone would also have to include Italy. Otherwise, what kind of an atom-free zone would that be if rockets with atomic warheads were flying over us. We consider that both Italy, and Greece, and the whole Balkans should be in this atom-free zone. Thus the powder keg would be removed from

the Balkans, for the Balkan people know that only in peace and mutual tolerance can they quietly in build their own lives as best they can and in accordance with their given conditions; if all the countries there cannot at the present maintain relations of deep friendship, then let them at least co-operate along inter-state lines, let there be peace between them.

Despite the fact, comrades, that someone may reproach us for following the policy of the Soviet Union if we say that the Berlin question ought to be settled in such and such a way or that atom-free zones ought to be created, and so on, I consider that this is our concern, that these are our attitudes and that it is just as well if those attitudes coincide with the attitudes of the Soviet Union. We entertain no hostile feelings at all for the Western countries, or for any country. We have already shown, over a number of years, in what way the interests of individual states can be co-ordinated, regardless of whether they are socialist or capitalist states. We have shown the way in which states can mutually co-operate without sacrificing their principles. We have demonstrated, by exemplifying it, that peaceful co-existence is possible between states with different social systems.

WE SEEK THE BEST POSSIBLE RELATIONS WITH EVERY COUNTRY, WESTERN OR EASTERN

Let us take the example of our relations with Greece, or our relations with many Asian and African countries. Those relations are not only normal, but marked by a deep friendship, regardless of the fact that our social systems vary. For we have many common interests, interests which are, at the same time, common to the whole of mankind. This includes, first of all, that mankind desires to live in peace and that confidence should be restored in the world, that it is necessary to realize in the world that which is common to all, to preserve peace that is. Such are those most vital interests for the sake of which we seek the best possible relations with every country, Western or Eastern.

On account of what I am saying now, somebody is again likely to come up suggesting that Tito is now following the line of Soviet foreign policy since he is subscribing to the establishment of an atom-free zone. You know, though, as does our whole people, that this is our permanent attitude which we shall never renounce. It would be well if other states, too, both in the West and East, were to reach mutual agreement and a unified outlook that it is necessary to take each a step in the direction of conciliation in the world, and even in the direction of creating those zones as well, if it is still impossible to convert the whole world into an atom-free and peaceful zone right away. Unfortunately, this is still impossible because people do not realize that at the present time, with the existence of such terrible weapons of war, it is impossible to wage war in any part of the world without simultaneous repercussions in the remainder. We ought to make a start from lesser matters, proceeding then further, for this would gradually establish confidence between states and nations. While we take note of what is being said, we also heed what is being done, and we consider that this is most essential. Words are one thing, and deeds another! We demand that deeds be in agreement with words, not that a propaganda war be conducted today, turning into a cold war, too, from time to time.

I know, comrades, that our whole people is behind the policy of our Government and I say, therefore, that the Yugoslav people resolutely demands that a realistic approach be made to a serious settlement of these various problems existing in the world, for no existing problem, not even that being dealt with at Geneva today, is such as does not concern us. We are concerned in all those problems. It is only that we are not present there. But the tribune is open to us and we can state our views when the destiny of mankind is being tailored. Our way of thinking is also that of a huge majority

of other peoples, notably in those countries which belong to neither bloc. And even those peoples which are within the blocs desire peace just as much.

WE SHALL SEEK THE BEST POSSIBLE RELATIONS WITH ALL PEOPLES IN THE BALKANS

That is what I wanted to say here today on the question of the Balkans and when there is talk about how the Balkans will again become a powder keg. We shall seek the best possible relations with all peoples in the Balkans, without distinction as to the social system of individual countries, regardless of whether socialist countries, the countries of people's democracy, or capitalist countries are involved. This has always been the guiding idea of our policy. And if we failed to act in such a way, and to view matters in that light, we should contradict by deed what we are saying about the need for peaceful, active co-existence between states and peoples. We have succeeded in creating the best of relations with distant states; we must succeed in creating the best relations here as well, with our neighbours. It stands to reason that this depends not on us alone, but on our neighbours also, yet we must be the ones who will not prevent this by a single act. We must not bear the blame for poisoning relations between other countries and between our country and other countries. We are extending our hand to every people, just as we have already extended it to very many other distant or nearer peoples.

Comrades, we harbour no selfish designs in relation to neighbour countries. Our sole design is peace and the realization of peaceful co-operation and sound relations with all countries. We have no territorial pretensions toward anyone, nor have we other problems which would call for some reaction from our side, threatening other peoples or peace in general. I consider that those peoples have also no need for that, because no territorial or other problems exist between us. It is only a question of the general conception people hold of the essence of normal relations, in what it should reside. It is a question of whether there should be propaganda deeply insulting to another people. As for ourselves, I have always been opposed to our publicity having an insulting tone and character in relation to any people in the world or to anyone at all. We must face the public with facts, if and when necessary, but not in a manner insulting to another people or peoples. It is for this reason, in fact, that we are pained when they attack and insult us. As you know, we have stood a very great deal and we are hard put to endure insults. Ours is a proud people. Likewise our people made far too many sacrifices during the last war to be able to take lightly, and without feeling deeply hurt, the many propagandist insults inflicted on it today. We ask nothing else of people beyond our country but to respect our country and our people. For, we neither interfere in the internal questions and problems of anyone nor wish to do so. We have enough problems of our own. We have enough to do at home, and so we look after ourselves and our own affairs. Our only aim is to advance as quickly as possible and create the conditions for a better life for our people and a happy country.

The energy, eagerness and enthusiasm of our people and our youth are directed towards the solution of internal problems and a rapid buildup of our country. We have not reached a blind alley in our country to have to seek some vent outside and thus to conceal what is occurring inside our country. Everybody who comes to Yugoslavia is able to see for himself that our country is marching forward in a resolute way. We have no interest whatever to quarrel with anyone outside. We appeal to all those about us to accept our hand and to discuss with us calmly which we regard as the proper way — the matters on which we disagree, if any. And you know, comrades, that we are averse to someone's disagreeing with what we are doing in our country, or to our disagreeing with what

someone else is doing in his own country. Let him do as he himself thinks fit. If he does it well we shall rejoice over it, and if he does not — then he himself will suffer by it. Such is our outlook, and we ask the same of others, and therefore no one can reproach us that we think differently.

This, then, comrades, is what I wanted to say to you today: in the future, too, as in the past, and even more vigorously we shall pursue our policy in general and our foreign policy in particular, the policy of peace, the policy of co-operation with our neighbours and with all countries desiring such co-operation on the basis of equality and non-interference in the internal affairs of other countries.

Extracts from the Exposition by A. Ranković in the Federal People's Assembly

At a joint meeting of both Houses of the Yugoslav Federal People's Assembly — the Federal Council and the Council of Producers — on June 10, 1959, the Vice-President of the Federal Executive Council, Aleksandar Ranković, gave an exposition on the work of the Federal Executive Council during the past year. Published below is an excerpt from the exposition.

THE REPORT of the Federal Executive Council, which was submitted to the People's Assembly by the President of the Republic, Comrade Tito, comprises a chapter on our foreign policy, that is, Yugoslavia's activity in the international field. In addition, two days ago, Comrade Tito spoke on certain current foreign-political questions at a large meeting in Smederevo. Allow me to say a few words on the subject at this occasion.

During the period under review, the activity of Yugoslavia in international relations as a socialist and independent country was devoted to the promotion of peaceful co-operation with all countries, regardless of differences in their social systems. This co-operation was carried on the basis of equality and independence, mutual respect and non-interference in internal affairs. In this direction, Yugoslavia developed both her bilateral relations with other states and her activity within the United Nations Organization and outside it. In this she was always guided, and continues to be guided, by the desire to contribute to better understanding between nations, the strengthening of international confidence, the removal of antagonisms between states and the groups of states which form opposing military blocs, and the consolidation of world peace.

We consider that we have many reasons to review favourably the results we have achieved in this field. In the course of the past year, Yugoslavia established normal diplomatic relations with a number of States — for example, Iraq, Tunisia, Morocco and Ghana — so that Yugoslavia now maintains diplomatic relations with sixty-seven countries. It gives us particular satisfaction to note that these are countries which have recently gained their independence or freed themselves from foreign control, and that Yugoslavia was among

the first states to show the desire for comprehensive and friendly co-operation with them.

During the past year, Yugoslavia also expanded her economic relations with foreign countries. It is a noteworthy fact that our country has successfully expanded its economic relations not only as regards the number of states with which it is co-operating, but as regards the increasingly extensive and varied forms the co-operation is assuming especially with the countries of Asia and Africa. The results which have already been achieved are very encouraging, and this is bound to lead to an even greater economic co-operation in the future, both with those countries and others. This is undoubtedly in the common interest of Yugoslavia and those countries, as well as in the interests of political stability and peace in the world, the essential precondition for which is free and equal economic co-operation between all countries.

In the past period, Yugoslavia, within the limits of her possibilities, made efforts in the same direction in the United Nations Organization and other international organizations of which she is a member. As is known, whenever there was a danger that the crises in international relations might be aggravated, there was fruitful and very effective co-operation between Yugoslavia and other states, primarily the non-committed countries of Asia, Africa and Europe. Our experience, especially from the latter period, has increasingly convinced us that the United Nations Organization has again demonstrated its vitality and capability by its handling of the acute problems erupting in the world and also by its treatment of the problems which are today the fundamental concern of the whole international community. These include the halting of the dangerous armaments race, that is, the disarmament problem, and all the other problems jeopardizing the peace of nations and states. Yugoslavia is therefore determined to do everything she can in the future, too, for the most successful operation and full affirmation of the United Nations as a unique, universal body of world security and peace.

GREAT SIGNIFICANCE OF PRESIDENT TITO'S VISIT TO FRIENDLY COUNTRIES OF ASIA AND AFRICA

An event definitely of the greatest significance for our foreign-political activity in the period under review is Comrade Tito's series of visits to the friendly countries of Asia and Africa at the end of last and the beginning of this year. These visits have helped to strengthen Yugoslavia's relations with those countries, and our mutual co-operation was placed on even wider foundations in the spirit of the policy of active and peaceful co-existence, which has found, in all this, a fresh and forceful affirmation, with a resultant major international impact. It was again clearly revealed that the non-bloc policy of an increasing number of countries is not a matter of transitory tactics, nor some vague and prospectless stand of countries finding themselves outside the existing military power-blocs. On the contrary; the independent and peaceful non-bloc policy, that is, the policy of active co-existence, which is pursued by the countries in question, is increasingly assuming a world-wide character as an expression of the deep aspirations of all peoples for constructive international co-operation, a peaceful settlement of international disputes, the removal of force as a decisive factor in the relations between states, and the safeguarding of peace in the world as the fundamental and lasting prerequisite for the general progress, freedom, independence and equality of all nations. This policy, exemplified by deeds, is increasingly demonstrating its constructive character and ability to overcome the difficulties which appeared on the world scene during the past year also.

It is within the framework of this conception that our foreign-political activity in relation to other countries has proceeded, our attitudes to international events in Europe and

the world also conforming to the same line. In the face of these events, Yugoslavia's attitude and activity has been in accordance with her national interests as well as her international obligations and rights. One can say that the fundamental part of our activity on the foreign-political plane is represented by the taking of initiative, or the extension of active support to the initiative of other countries, towards the liquidation of the cold war policy and towards sound international relations through the promotion of peaceful co-operation between all countries.

All the latest Yugoslav actions, such as the exchanges of opinion between the President of the Republic, Comrade Tito, and the chiefs of state and government representatives of the friendly non-committed countries of Asia and Africa on current questions of the international situation have also been in line with this policy. The same aim has likewise been served by personal contacts — the friendly visits to Yugoslavia by responsible foreign statesmen, as well as by the friendly visits to other countries from our side.

YUGOSLAVIA HAS INCONTESTABLE RIGHTS AND INTERESTS WHERE EXPANSION OF THE CONFERENCE ON GERMANY IS CONCERNED

Our favourable attitude to such events as the negotiations which have been going on at Geneva for some time with the aim of stopping nuclear test explosions is familiar because Yugoslavia has always supported a ban on the production and use of weapons. We have also welcomed the holding of the conference on Berlin and Germany, now in progress at Geneva, attended by representatives of the U.S.A., Great Britain and France, on the one side, and the U.S.S.R. on the other, as the leading states of the former anti-Hitler coalition and as powers with special rights and obligations in this matter pursuant to international treaties. We are hoping that the present conference will be able to break the deadlock on this problem, after fourteen futile post-war years. In this connection, we were bound to give a public reminder that Yugoslavia, as a victim of aggression in the Second World War, as an active participant in the anti-Hitler coalition, and as a peace-loving, non-committed country, has particular rights and interests which are incontestable when the question arises of increasing the number of participants in the conference on the German question.

INSTALLATION OF ROCKET BASES IN NEIGHBOURING COUNTRIES MUST CAUSE US ANXIETY

As I have said, comrades, one can place hopes in the success of the Geneva conference, or, rather, nations have the right to expect such results when the issues concerned are of the greatest significance for international security and world peace. However, one could not say that the present state of international relations is exclusively characterized by efforts to proceed, on a wide front, toward the liquidation of the cold war policy on the part of all those factors which actually bear the greatest responsibility for such a policy. At the same time as the conferences I have referred to, the other, the reverse, side is also in evidence. Here, first of all, I mean the measures which are being undertaken by the governments of certain states in the field of armament, which force us to pay special attention to the manifestations of such a policy in our immediate neighbourhood where work has started for the erection of launching ramps for rockets, i. e., atomic missiles, as is the case in Italy. And while it is sought at Geneva to achieve an easing of tensions at one end of Europe, it looks as if, with these and similar measures, attempts are being made to increase tension and intensify the cold war at the other end of Europe, in the Balkans.

This cannot but cause us anxiety both for reasons of our security and because of all the other unfavourable repercussions which may accompany such a policy. Yugoslavia has been consistently opposed to the idea that rocket or other military bases can provide a lasting foundation for world peace and the security of nations. The national security of every country and international security as a whole would unquestionably be strengthened not by an increase in the number of countries countering one another with rocket and other bases, but by stopping the dangerous armaments race by prohibiting the use of atomic weapons and discontinuing their production, by controlled general disarmament and the removal of rocket and other bases. In one word, consolidation of peace can be achieved by peaceable means and methods on the principle of active co-existence and peaceful co-operation of all states on the basis of equality and independence, regardless of differences in social and state systems and ideologies.

For her part, as a socialist country, Yugoslavia has consistently espoused those principles in relations with neighbouring and all other countries. Practical experience has demonstrated that this foreign policy as well as our concrete activities have been in the interest of peace in Europe and in the world as well as in our own national interest. Therefore, in its future foreign-political activity, our country will continue to devote great attention to the examination of possibilities and undertaking of actions to create better relations between peoples and states, above all in the area in which we live — in the Balkan Peninsula.

YUGOSLAVIA HAS BEEN, AND REMAINS THE STRONGEST FACTOR OF A PEACE-LOVING POLICY IN THIS PART OF THE WORLD

I regret having to record that during the past year the relations between our country and certain neighbouring countries not only were not good, but showed a tendency to deteriorate — as with Albania and Austria for example — in spite of our desire for better relations. I only wish to recall on this occasion the enormous efforts we have made, even during the People's Liberation War, to promote co-operation between the Balkan peoples. Those efforts also involved co-operation with the other neighbouring countries, and particularly with the democratic and anti-fascist forces of neighbouring Italy. This was an historically new phenomenon in the Balkans, promising lasting results. Soon after the war, however, the situation, influenced by the bloc-division of Europe, underwent a change. It is not our fault that in the Balkans, rocket bases, the „Balkan powder keg“, etc., were again discussed today. Yugoslavia has been, and remains, the strongest factor of a peace-loving policy in this part of the world, and, as heretofore, our foreign-political activity can only lead towards the creation of deeper understanding and better relations with all neighbouring countries. Our country represents not only an atom-free zone, but a zone from which actions are incessantly initiated and appeals made for brotherhood among nations, for peace and progress in the world. Therefore, our country will continue in the future to make its contribution to the positive development of international relations, both here in the Balkans and in all other areas.

Comrade Deputies, in submitting its Report to you, the Federal Executive Council requests that the Federal People's Assembly approve the work of the Council and the Federal Administration during the past one-year period and by its decisions give comprehensive support and assistance to the Council in the further implementation of the established policy.

The IVth Congress of the L. C. of Serbia

At the IVth Congress of the League of Communists of Serbia held from June 4 to 7 in Belgrade, Jovan Veselinov, Secretary of the Central Committee, submitted a report on the social and political activity of the League of Communists of Serbia. The congress was addressed by Svetozar Vukmanović-Tempo on behalf of the Executive Committee of the Central Committee of the League of Yugoslav Communists.

We give here excerpts from the speech of Svetozar Vukmanović-Tempo and the report of Jovan Veselinov.

Svetozar Vukmanović's Address to the Congress

THE STRUGGLE for socialism has always been for us, the Yugoslav Communists, a struggle for the economic development of our country, for the eradication of economic and cultural backwardness, for setting Yugoslavia on the road to modern industrial development, and at the same time a struggle for new, humane, social relations, for social relations between individuals, working collectives and enterprises. Socialism is not and cannot be realized just by tons of steel or doubling industrial production. Socialism does not and cannot exist without humane relations between people, without accepting man and his ability to manage social affairs, without democracy and liberty.

THE TIES BETWEEN THE COMMUNISTS AND THE BROADEST LEVELS OF THE WORKING PEOPLE ARE STRENGTHENED AND CONSOLIDATED

Your Congress is being held a year after the Seventh Congress of the League of Yugoslav Communists, where the full force of our struggle for socialism, for independence and welfare, and for man's happiness, came to full expression from the documents submitted to the Fourth Congress of the League of Communists of Serbia, it is obvious that last year's Congress of the LYC and the adopted Programme have provided a strong impetus to the Communists of the whole of our country in their work and in their care for the interests of all our peoples. That is why the ties between the Communists and the broadest levels of the working people are being continually strengthened and consolidated. That is why the Congresses of the League of Communists are events of importance to the whole nation, and all our working people follow them with lively attention and immense interest.

It is to the credit of the League of Yugoslav Communists, that socialism in our country is being built up by all our working people, who are vitally interested in and prepared to work with their own initiative and all their strength for the realization of the socialist system and the development of socialist, social relations. There is no doubt that, in creating conditions for the direct material and social interest of the individuals to become a basic factor and motive-force in building socialism, we have not only gained greater successes in economic development but also socialism, as the social system, has consolidated.

As you know, one of the principles on which our whole social system is built is that the working people should manage the material wealth of the country as directly as possible and that this wealth should be divided among the working people according to the results of their work. Thus, the results of the work of every man are not measured just by his individual achievements at his working place but much more widely, on the results of the work of the whole collective to which he belongs. Furthermore, in our country these results are not only the product of individual and collective work and endeavour but also of the capacity for management and business. The acceptance of these principles in social relations has not only brought about a great growth in economic activity but has, at the same time, created all the conditions for the working people to become not only workers at their working places but also managers who have shown that they are capable of rationally managing the enterprises which the social community has given them to use and manage. Social relations set up in this way have unleashed very great forces which had previously remained inactive in our country, and it is by no means accidental that our economy as a whole, precisely under conditions of self-management by the direct producers, has begun to achieve such results as have been realized in no other country during the same period.

SOCIALIST FORCES MUST FIGHT FOR THE CONSISTENT REALIZATION OF THE SOCIALIST PRINCIPLE OF REMUNERATION ACCORDING TO WORK.

Our experience so far has shown us that the principle of remuneration according to needs could not be applied in conditions of insufficiently developed productive forces and of a shortage rather than an abundance of consumer goods. It is true that our goal is that everybody should receive "according to his needs", but this could not be realized before the total social production was sufficient to satisfy the needs of the people. While there exist divergencies and disparity between the increased needs and the limited possibilities for their satisfaction, the socialist forces must fight for the consistent realization of the socialist principle of remuneration "according to work". Every attempt to apply the principle of division of material goods according to needs in conditions of economic backwardness necessarily leads, on the one hand, to a slowing down and even stagnation of productive forces, and, on the other, to an increase in the elements of compulsion from the side of the administrative bodies. And from that standpoint, the development of direct democracy, — the building up of bodies through which every individual directly manages and decides on general questions and his own position and needs — is an integral part of the struggle for socialism. One may proclaim the principle of remuneration according to needs as much one likes, but to realize this principle it is necessary to provide sufficient consumer goods, since otherwise the administrative bodies would have to ascertain the needs of every working man, which would undoubtedly lead to the placing of individual administrative bodies above individual people, and that regarding the most vital question for every man — the decision on his own personal needs.

It is understandable that such a practice in building socialism cannot result in anything but stagnation in the development of productive forces and the strengthening of bu-

— bureaucratic control over the working people, regardless of how such control is proclaimed and by what principle it is justified. In essence nothing can be changed, by the introduction of socialist competition, or by the realization of the need for greater efforts by individual working people in order to achieve the communist society. Even though it is true that the development of a socialist consciousness can have an influence on the realization of higher results, the fact still remains that consciousness itself and the prospect of a better life for future generations cannot be a substitute for the principle of material and moral interestedness, since the working people themselves want to enjoy the results of their work. Therefore the consistent application in practice of the principle of material interestedness, with the simultaneous development of their consciousness of their present and future interests, can bring the best results under our conditions. This, of course, does not mean that moral recognition of work is not necessary, or that the conscious socialist forces should not develop (even more than they have done) the forms of social stimulus and recognition of results achieved — but it means that the material interestedness is primary but not all-sufficient, basic but not exclusive.

The very fact that our Party realized in time the importance of these problems on the whole of our further progress is a clear proof that it pays careful attention to, and analyses from all sides, all appearances which arise from our everyday practice. The basic principle to which the Party has continually adhered in its practical work has been that the shapes and forms of socialist, social relations must correspond to the needs of the further development of these relations. We have adhered to it, regardless of the fact that our practice does not correspond to the dogmatic interpretation of some parts of the classics of Marxism, which interpretation, by the way, very often represents the purest revision of Marxism, and that from dogmatic standpoints.

From the Report of Jovan Veselinov

OUR FOREIGN POLICY FULLY CORRESPONDS TO THE INTERESTS OF OUR COUNTRY, TO THE FORCES OF PEACE AND SOCIALISM

I DO NOT intend to deal at great length with our foreign policy and the attacks which are systematically and purposely made against the League of Yugoslav Communists and socialist Yugoslavia.

We all well know that our foreign policy fully corresponds to the interests of our country, to the forces of peace and socialism.

We are living at a time when the forces of socialism, democracy and peace are growing stronger every day all over the world. Socialism is already a great reality, and the new social system has shown all its advantages over the old, effete, capitalist system of government and its final victory has obviously become an historical inevitability.

The liberation struggle of the colonial and semi-colonial peoples against imperialism has developed into a wide and strong democratic national freedom movement, which has become an inseparable part of progressive forces in the world. Our workers' movement has given and will in the future give moral and political help to all progressive mo-

vements in other countries which are fighting for freedom and national independence, for the progress of humanity and for socialism. Such a policy, which is promoted by Comrade Tito, has gained great respect for our people in the world, especially in those countries which are persistently fighting for peace, independence and peaceful coexistence. The respect for the Comrade Tito to the countries of Asia and Africa and the results achieved in the talks and contacts of Comrade Tito and our delegation are the best proof of the respect and esteem in which the new Yugoslavia is held in that part of the world. Our successes in building socialism and our experiences and practice are a great contribution to the development of socialist forces in the world.

This is why the League of Yugoslav Communists and our country are not and cannot be isolated from the rest of the world, from international workers' movements and from progressive forces in general.

Although that is an irrefutable historical fact, our country and the League of Communists are being attacked (just as in Stalin's time) by an unprincipled campaign waged by the leaders of some socialist countries. By these methods those people wish to put pressure on the League of Communists to abandon its principles on the question of the development of the international workers' movement and socialism. We have always been, and still are, in favour of discussion on principles, which is essential for the further development of the theory and practice of the revolutionary movement and socialism. But we are against distortion and falsification, under the guise of discussion on principles, of the standpoints and practice of some workers' parties.

It is perfectly clear today that the interests of the international workers' movement and peace in the world demand the ending of the unprincipled campaign against socialist Yugoslavia and the commencement of constructive co-operation. In this way we expect that the Soviet-Albanian declaration recently signed in Tirana will lead to an improvement in relations between our countries if the parts of this document relating to Yugoslavia are put into practice. This is a question of the good-neighbourly relations and mutual interests which the peoples of Soviet Russia, Albania and Yugoslavia desire.

We shall continue to strive for equal relations between the socialist countries and workers' parties through the broadest co-operation on these bases.

Our Party has behind it a great revolutionary people. Under its leadership, the working people of our country during their 40-year struggle have won great historic victories. Behind us are the heroic struggle under the difficult conditions of illegality in the time of old Yugoslavia and the great victory in the armed struggle. We can be justifiably proud of the successes we have achieved in building up a new socialist social system. In this struggle our Party has been continually growing, both politically and ideologically. It has become a great Marxist-Leninist party of the working class. Its Programme represents the highest expression of the ideological and political forces of our revolutionary workers' movement. This is a significant document of the present day.

Extremely complex tasks face the Communist in the struggle for the further development of socialism in our country. There will be still more difficulties, too, which will be imposed by the development itself. We will encourage the enemies of socialism who will attempt to make use of every opportunity to cause us trouble and inflict damage.

Our most important weapon will be the ideological and political unity of the League of Communists. We shall realize our historical rôle by educating and mobilizing the masses in the process of material production and creation of new social relations in the bodies of social self-government and in other bodies of our democratic system.

THE YUGOSLAV-DANISH ANNOUNCEMENT

The following is the text of a joint Yugoslav-Danish announcement which was issued in Copenhagen on May 30, at the close of the official visit to Denmark of the Vice-President of the Yugoslav Federal Executive Council, Edvard Kardelj.

ON THE invitation of the Danish Government, which was conveyed by the Danish Prime Minister during his visit to Yugoslavia in August, 1958, the Vice-President of the Federal People's Republic of Yugoslavia, Edvard Kardelj, paid a visit to Denmark from May 26 to 31, 1959.

During his visit, the Yugoslav Vice-President was received in private audience by His Majesty the King and he also held a number of conversations with the Danish Prime Minister, the Minister of Foreign Affairs and other members of the Danish Government. Besides, he visited a number of interesting agricultural and industrial installations and cultural and social institutions in Copenhagen and Aarhus and in the surrounding country.

During these conversations, which were characterized by the friendly relations between the two Governments and conducted in the best atmosphere, views were exchanged on the general international situation, on a certain number of international questions of common interest and questions with a direct bearing on the relations between Denmark and Yugoslavia.

In the course of the conversations, it was fully agreed that the safeguarding of world peace represents the paramount task facing today the governments and peoples of all countries. The two sides consider that the principles upon which the United Nations Charter is founded constitute the most adequate basis for the maintenance of peace and have emphasized the need for a closer international co-operation pursuant to these principles. In this context, they have expressed their desire for an even larger elimination of the existing barriers to free exchanges of material and cultural values and opinions and views.

The two Governments consider that it is of crucial importance to make efforts for the solution of the disarmament problem, and they simultaneously emphasize that there should be more confidence between the great powers regarding the settlement of certain momentous regional issues, including the political questions and the problem of security in Europe as the first and foremost. The two Governments welcome with satisfaction the fact that it was possible to proceed to negotiations on these questions in Geneva and are expressing the hope that during these negotiations all the participants will demonstrate a readiness to find ways toward an acceptable settlement of the existing differences.

In addition, the two Governments believe that all peoples are equally concerned for the preservation of world peace and that, therefore, they should contribute, each according to its possibilities, to the finding of ways and means for a peaceful solution of the existing problems. With this aim, they consider that intensified exchanges of opinions on matters of mutual significance would be beneficial.

The two Governments have noted with satisfaction that the fruitful co-operation between the two countries has recorded further progress since the last meeting of their representatives, regardless of the existing differences in their social systems and their differing outlooks upon certain international questions. There are no antagonisms at all in the mutual relations of the two countries, but, on the contrary, there is a close co-

operation in the fields of agriculture and industry and in the domain of exchanges of scientific and other cultural experiences. Both sides are expressing their desire for the further expansion and consolidation of this co-operation."

ANNOUNCEMENT on the Yugoslav-Norwegian Talks

NORWAY AND YUGOSLAVIA ATTACH A SPECIAL
IMPORTANCE TO EXPANSION OF CO-OPERATION
BETWEEN NATIONS

In connection with the visit to Norway of the Vice-President of the Yugoslav Federal Executive Council, Edvard Kardelj, the following announcement was issued in Oslo on June 5.

DURING the visit to Yugoslavia of Premier Einar Gerhardsen, in September, 1958, an invitation was extended to the Vice-President of the Federal Executive Council of the Federal People's Republic of Yugoslavia, Edvard Kardelj, on behalf of the Norwegian Government, to pay an official visit to Norway.

This invitation was accepted by Vice-President Kardelj, who returned the visit during the period from May 31 to June 7, 1959.

During his stay, Vice-President Kardelj conducted friendly talks with Premier Einar Gerhardsen, the Minister of Foreign Affairs, Halvar Lange, the Minister of Commerce, Arne Skaug, and other members of the Norwegian Government.

The Vice-President also visited Sarpsborg, Bergen and Trondheim, as well as a certain number of industrial enterprises and cultural and other institutions.

During the talks, which took place in the spirit of the friendly relations between the two Governments and in the best atmosphere, information was exchanged concerning the development of economic and political life in both countries since the war.

The international situation in general was examined, as well as certain special problems, and the attitudes of the two countries were explained.

The two Governments attach special importance to the expansion of co-operation between nations in the political, economic, cultural and scientific fields, and particularly in the extension of assistance to under-developed countries, primarily through the United Nations.

The two countries underlined the importance of personal contacts between the statesmen of all nations, and expressed the desire for the further removal of barriers which are obstructing a free exchange of material and cultural values as well as of ideas and opinions.

The importance of the conference of Foreign Ministers, which is currently taking place in Geneva, was stressed. Both countries consider that no efforts should be spared to study every possibility for contributing to international understanding.

During the talks emphasis was again placed on the significance of the fruitful co-operation existing between the two countries with regard both to bilateral and international relations, regardless of the differences in their social systems and their different attitudes towards certain international problems.

Both sides have expressed the desire for continued expansion and consolidation of this co-operation, including periodic exchanges of opinions on matters of mutual interest. Satisfaction was expressed over the initiative undertaken by the two governments towards the further expansion of economic co-operation, and it was decided in principle to make the Yugoslav trade surplus in Norway transferable.

Both sides have also underlined the importance of increased exchanges in the cultural, scientific and other fields."

ANNOUNCEMENT on the Yugoslav-Algerian Talks

A USEFUL EXCHANGE OF VIEWS ON THE LIBERATION STRUGGLE OF THE ALGERIAN PEOPLE AND OTHER MATTERS

*The following announcement was released by
Tanjung News Agency on June 12, 1959 concerning
the Yugoslav-Algerian talks in Beograd:*

AT THE INVITATION of the Federal Executive Council, the Premier of the Provisional Algerian Government, Ferhat Abas, accompanied by the Minister of Transport and Communications, Mr. Abdelhafid Boussouff, paid a visit to Yugoslavia from June 6 to 12, 1959.

During this visit Premier Ferhat Abas and Mr. Boussouff were received by the President of the Republic, Josip Broz Tito.

In the course of the same visit, exhaustive political talks were conducted between Premier Ferhat Abas and Minister Abdelhafid Boussouff and Yugoslav representatives. Those taking part on the Yugoslav side included: Veljko Vlahović, a member of the Presidency of the Federal Committee of the Socialist Alliance of the Working People of Yugoslavia; Koča Popović, State Secretary for Foreign Affairs; Veljko Mićunović, State Undersecretary for Foreign Affairs; Miša Pavićević, Secretary of Central Council of the Confederation of Trade Unions of Yugoslavia; Bogdan Osolnik, Secretary for Information of the Federal Executive Council.

While in Yugoslavia, Premier Abas and his party visited Zagreb as well as certain economic projects and sites in the country around Beograd. They also came into direct contact with high-ranking state officials of the Federal People's Republic of Yugoslavia, as well as with the representatives of political and social organizations of Yugoslavia.

The talks between the Yugoslav and Algerian representatives were conducted in the spirit of friendly mutual understanding and provided an opportunity for a useful exchange of views both on the present state of the liberation struggle of the Algerian people and the international aspects of the Algerian question, as well as on other current matters of interest to both sides.

True to the principles of the policy of the Federal People's Republic of Yugoslavia that every people has the right to decide its own destiny, and considering that the general emancipation of the peoples of colonial and dependent countries represents a progressive and inevitable historical process, the Yugoslav representatives reaffirmed their standpoint that they regard the struggle and aspirations of the Algerian people for liberation and independence as justified and fully in accordance with the principles laid down in the United Nations Charter.

The war which is continuing in Algeria with unabated fierceness for the fifth consecutive year, has exposed the Algerian people to enormous ordeals and has caused enormous human and material losses to the people of Algeria, as well as to the French people. Such a condition prevails even today and these sacrifices are mounting by the day. Furthermore the war which is being waged in Algeria represents a latent danger and a constant threat of far wider international complications, and the Algerian problem as a whole is increasingly becoming a subject of serious anxiety to the whole international community, which desires a relaxation of work tensions, a peaceful settlement of international disputes and accordingly, a peaceful and just settlement of the Algerian problem also.

In accordance with the justified aspirations of the liberation struggle of the Algerian people, and guided by the general interests of peace and international security, both sides express the common desire that, by means of negotiations between the French Government and the Provisional Algerian Government, the representative of the Algerian people, a successful settlement of the Algerian question may be reached, as had been proposed in the draft resolution at the 13th Session of the General Assembly of the United Nations on December 13, 1958, for which the Federal People's Republic of Yugoslavia, together with 34 other countries, voted. Such a proceeding represents the only way to stop the bloodshed and war in Algeria.

In this connection, the Yugoslav Government welcomes the efforts made by the Provisional Government, and regards the initiative of the Provisional Algerian Government, set forth in the statement of Premier Ferhat Abas on June 12, 1959 in Beograd, about its readiness to open such negotiations with France as an additional constructive step in this direction.

Premier Ferhat Abas paid tribute to the assistance the peoples of Yugoslavia have so far extended to the Algerian people to alleviate the terrible consequences of the war. From the Yugoslav side, the readiness expressed for the further extension of such assistance.

Both sides emphasized the conviction that Premier Ferhat Abas's visit to Yugoslavia and the talks held represent a further contribution to the liberation struggle of the Algerian people, as well as a constructive contribution to peace and peaceful co-operation between peoples.

Negotiations and Agreements

YUGOSLAV ECONOMISTS IN GREAT BRITAIN. — Vojko Guzina, Director of the Federal Commission for Economic Planning, Janko Smole, Governor of the National Bank of Yugoslavia, and Avgustin Papić, General-Director of the Investment Bank, are in London as guests of the British Government. The Yugoslav economists have visited some British economic and financial institutions and held informative talks in the Foreign Office, the Board of Trade and the Treasury.

YUGOSLAV-SWISS PROTOCOL. — The Yugoslav-Swiss protocol on the payment of the remaining compensation for nationalized Swiss property in Yugoslavia was signed in Rome on June 3, according to the agreement of September 1948. At the same time an agreement was concluded on the extension of the Agreement on exchange of payments in which payments between Yugoslavia and Switzerland are based on a multilateral basis.

DELEGATION OF INDUSTRY AND NON-METAL MINES ASSOCIATION WILL VISIT ITALY. — In order to study the possibilities of broadening exchanges in the field of stone, glass and glass products and to hold negotiations on this subject, a delegation of representatives of the Federal Chamber of Industry will pay a visit to Italy. The date for the visit is not yet settled. It is understood that this delegation will hold talks with representatives of the Italian industry of heat-resistant materials, glass-products, ceramics, etc.

EXPORT TO THE SUDAN OF A COMPLETE FACTORY FOR THE PRODUCTION OF METAL PRODUCTS. — At the beginning of June the first complete factory was shipped to the Sudan for the production of metal sundries. Yugoslav producers had prepared for export. This factory, delivered to the Sudan according to the Agreement on industrial exchanges, will produce locks for the needs of building industry, tin parts for building and aluminium products. The Yugoslav experts who will supervise the setting of the factory, as well as all the machines and equipment, have arrived in Khartoum. The Yugoslav experts will put the factory into operation and will continue to work there until Chinese workers have been trained.

AGREEMENT WITH ETHIOPIA. — An agreement was signed in Belgrade on June 5 between Yugoslavia and Ethiopia on the delivery of Yugoslav capital equipment and goods to Ethiopia on credit. The agreement was signed by Ljubo Babić, President of the Committee for Foreign Trade, and Menas Lema, Ethiopian Minister for Mining. The agreement makes provision for Yugoslav enterprises to deliver the necessary equipment to Ethiopian buyers and to carry out services on credit to the value of 10 millions dollars. The credit will be used in the first place for the construction of mining and industrial objects, transport and the development of agriculture in Ethiopia.

DISCUSSIONS ON FAO TECHNICAL ASSISTANCE. — Dr. J. B. B. official of the Food and Agriculture Organization of the United Nations, arrived on June 6 from Rome. He will hold discussions with our representative on technical assistance to Yugoslavia in 1960 in agriculture and forestry.

AGREEMENT FOR SCIENTIFIC AND TECHNICAL CO-OPERATION BETWEEN YUGOSLAVIA AND POLAND. — From June 6 to 10 talks were held in the Federal Commission for Nuclear Energy between delegations of the State Council of the

Government of the Polish People's Republic for the Peaceful Use of Nuclear Energy and the Federal Commission for Nuclear Energy. The talks were terminated by the signing of a plan for scientific and technical co-operation between Poland and Yugoslavia on the use of nuclear energy for peaceful purposes in 1959-60. Those taking part in the talks, including the leaders of the delegations were received by Aleksandar Ranković, President of the Commission for Nuclear Energy.

INCREASE IN EXCHANGES BETWEEN YUGOSLAVIA AND HUNGARY. — On June 9, a Protocol was signed in Budapest between Yugoslavia and Hungary on expanding goods exchanges, envisaging that this year's exchanges will be 15% greater than last year. The Protocol on the increase in

exchanges was signed after negotiations held by a mixed Yugoslav-Hungarian commission in Budapest. The commission agreed that favourable implementation of the previous agreement created the possibility of expanding trade between the two countries in the future.

Meetings and Talks

YUGOSLAV DELEGATION AT THE SESSION OF THE COMMITTEE FOR PROBLEMS OF AGRICULTURAL PRODUCTION. — A session of the Committee for Problems of Agricultural Production of the UN Food and Agriculture Organization began on June 2 in Rome with delegates from 24 countries attending. Yugoslavia was represented by Janez Stanovnik, Director of the Institute for International Politics and Economics. The session will last to June 13 and the agenda contains problems of the stabilization of agricultural prices, the general agricultural situation in the world, etc.

PARTICIPATION OF YUGOSLAVIA AT THE SESSION OF THE UN COMMITTEE ON HOUSING. — A regular session of the Committee on Housing of the UN European Economic Commission will be held in Geneva from June 19 to 23. At this session there will be discussions on the policy of the governments of European countries for the solution of housing problems. A Yugoslav delegation led by Marjan Tepina, Director of the Federal Commission for Town Planning, Housing and Communal Questions, will take part in this session.

SESSION OF THE INTERNATIONAL CONFEDERATION OF LABOUR. — The 43rd session of the Conference of the International Confederation of Labour began on June 3 in Geneva. A Yugoslav delegation will take part in this session also.

VISIT OF BRITISH MINISTER OF AGRICULTURE. — John Hare, British Minister of Agriculture, Fisheries and Food arrived on June 7 to visit our country as the guest of Slavko Komar, Secretary for Agriculture and Forestry of the Federal Executive Council. The British Minister and his colleagues stayed in Yugoslavia for a week and visited some agricultural estates and industrial projects in Serbia, Croatia and Slovenia.

FERHAT ABAS IN BELGRADE. — Ferhat Abas, Prime Minister of the Provisional Algerian Government, arrived in Belgrade on June 6 as the guest of Aleksandar Ranković, Vice-President of the Federal Executive Council. Premier Abas is accompanied by the Minister for Transport and Communications M. Boussouf. Political discussions were held on June 6 with Yugoslav representatives, and on June 9 Premier Ferhat Abas and Mr. Boussouf were received by the President of the Republic, Josip Broz Tito. The Prime Minister of the Provisional Algerian Government also held talks with representatives of the Secretariat for National Health of the Federal Executive Council, organizations for the disabled, the Federation of Veterans and the Red Cross, as well as with representatives of Belgrade University, the Commission for Cultural Relations with Foreign Countries, the Secretariat for Information and others. On June 11 Ferhat Abas visited a group of wounded soldiers of the Algerian Liberation Army at Stubičke Toplice, taking an interest in their health, accommodation and treatment. On the same day, the Prime Minister of the Provisional Algerian Government arrived in Zagreb for a one-day visit to that city.

INDIAN MINISTER OF LABOUR IN YUGOSLAVIA. — Gulzarilal Nando, Minister of Labour, Employment and Planning of India, arrived in Belgrade on June 10 for a seven-day visit to our country. During his visit the Indian Minister will study the system of planning, elements of production and labour relations and the work of the trade unions.

VICTOR PASESTENSORO IN BELGRADE. — Victor Pases-tensoro, former President of the Republic of Bolivia and President of the Bolivian National Revolutionary Movement, arrived in Belgrade on June 10 as the guest of the Institute for International Politics and Economy. During his visit he will give lectures in the Institute and have discussions with Yugoslav politicians and trade union representatives.

DELEGATE OF URUGUAYAN SOCIALIST PARTY IN YUGOSLAVIA. — Hermann Delia, delegate of the Uruguayan Socialist Party and Professor of General History at Montevideo University, has been staying in Yugoslavia since April 22, as the guest of the IV Congress of the Trade Union Federation of Yugoslavia. After the Congress, he visited some places in Slovenia, Serbia and Croatia, where he studied the work of the bodies of workers' self-management and social government and social organizations. Professor Delia gave a lecture on June 10 on the situation in the workers' movement in Uruguay and on the programme of the Uruguayan Socialist Party.

MIXED YUGOSLAV-GREEK COMMISSION'S WORK ENDED. — The work of the Mixed Yugoslav-Greek Commission ended in Belgrade on June 10. Within the framework of the Commission, talks have been held since December last year on a number of problems relating to the bilateral relations between the two countries. The leaders of the delegations initialled a large number of agreements relating to frontier traffic co-operation and technical aid, as well as co-operation in irrigation and drainage, the electric power industry, tourism, road traffic, cultural co-operation, legal aid, and also on compensation for nationalized Greek property in Yugoslavia and the regularizing of former demands. These agreements will be signed in Athens during the forthcoming visit of Koča Popović, Secretary of State for Foreign Affairs, which is planned for June 16 to 18.

Chronicle of Political Events

June 6 — IV Congress of League of Communists of Serbia held in Belgrade. It was addressed on behalf of Executive Committee of CC of LYC by Svetozar Vukmanović, and report on social and political activity of League of Communists of Serbia submitted by Jovan Veselinov. We publish excerpts under the „Documents“ section. The Congress adopted a resolution, and elected a new Central Committee and Revisory Commission.

June 7 — President Tito made a speech at a large meeting in Smederevo (excerpts are given under the „Documents“ section).

June 11 — Session of the Federal People's Assembly held. Aleksandar Ranković, Vice-President of the Federal Executive Council reported on the work of the Federal Executive Council during last year (excerpts given under the „Documents“ section). Several laws passed dealing with the field of the economy.

Diplomatic Diary

June 10 — President Tito received Admiral Subiakto, Commander of the Indonesian Navy, on Brioni.

June 12 — President Tito received John Hare, British Minister of Agriculture.

June 12 — President Tito received Gulzarilal Nando, Indian Minister of Labour, Employment and Planning.

Our New Contributors

LEO MATES, Secretary-General to the President of the Republic, member of the Revisory Commission of the Central Committee of the League of Communists of Yugoslavia. Formerly Assistant Minister of Foreign Affairs and Ambassador of the Federal People's Republic of Yugoslavia in Washington.

LEON RIP, State Councillor at the Federal Office for Economic Planning. Has held various responsible posts in economic institutions.

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